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SIR ARTHUR MORSE REVIEWS SITUATION

COMMENT OF THE DAY

Over To Vyshinsky

TWO statements, one by President Eisenhower and the other by Mr Cabot Lodge the American delegate to the United Nations, have captured world attention this week. Mr Lodge's "ten facts which the world should be told about" constituted a damning indictment of Soviet Russia's active participation in the Korean war. There has never been any illusions about Russia's determination to sustain the Communist combatants, but the catalogue of weapons and materials which the Soviets have supplied to the Chinese and North Korean Reds shows that Russia, short of putting troops into the field, has been and continues to be the dominating protagonist in the Korean conflict. And no matter to what extent Mr Vyshinsky may deny Mr Lodge's facts, free and enlightened world opinion will remain satisfied that the indictment has been proved. It is not to be expected, however, that the Soviet delegates will feel either concerned or embarrassed by the accusations levelled against Russia. They are not attending the United Nations General Assembly with the intention of helping to find a solution to the Korean war problem, but to obstruct, as far as is within their power, any endeavours in this direction. Their contempt for world opinion has long been established; likewise their cynical disregard of the losses and sufferings of the Chinese and North Koreans who are ordered to obey the dictates of the Kremlin.

MR Vyshinsky has yet to reply to the American charges. He will probably concentrate on making counter-accusations along established lines, such as America's alleged indulgence in germ warfare, inhuman treatment of prisoners of war and mass bombing of civilians. None of these charges can in any way be substantiated. In fact, as one writer has pointed out, it is fatuous for Russia to claim that the whole of North Korea is being ravaged by plague-carrying air attacks and at the same time boast that the Communists in North Korea have operating a highly efficient military organisation. But irrespective of the vituperation which almost certainly will come from the lips of Mr Vyshinsky, the General Assembly delegates will be waiting to see if the Soviet delegate has any concrete proposal to make for resolving the Korean armistice deadlock. The United Nations have indicated that they are prepared to make no further move other than that proposed in the Indian resolution dealing with the Communist bloc rejected at the previous Assembly session, and which was subsequently turned down by the Peking Government. Mr Vyshinsky still has his chance of indicating Russia's willingness to deal with the armistice question along these lines, or by means of a compromise offer which could be acceptable to the United Nations. It is Russia alone which can now break the deadlock. Refusal to do so amounts to self-condemnation of motives and principles. But if, by deliberately prolonging the Korean conflict, the Soviets imagine they can intimidate the free world from its determination to fight for what is honourable and just, they are sadly misleading themselves.

Hongkong's Finances Highly Satisfactory: Good Progress Made In Services ASIA'S GRAVE PROBLEM OF RICE PRODUCTION AND PRICES

HONGKONG'S FINANCES REMAIN IN A HIGHLY SATISFACTORY CONDITION, WHILE GOOD PROGRESS HAS BEEN MADE IN ALL THE SERVICES PROVIDED BY GOVERNMENT, SAID SIR ARTHUR MORSE, CBE, WHEN ADDRESSING SHAREHOLDERS THIS MORNING AT THE ANNUAL MEETING OF THE HONGKONG AND SHANGHAI BANKING CORPORATION. HE ALSO EMPHASISED THAT INDUSTRIALISATION IN THE COLONY CONTINUES TO FORGE AHEAD.

In a comprehensive review of the political, financial and economic situation in Asia, Sir Arthur also made these points:

"I think I can fairly say that during the past year the Eastern political situation as a whole did not deteriorate even though stability was lacking. Hopes of an early settlement in Korea have unfortunately been shattered; this naturally gives rise to nervousness and makes the outlook perplexing."

"The Chancellor of the Exchequer invented the slogan 'Trade Not Aid' which has been adopted as Government policy. If the basic principle as stated by the Chancellor were to be accepted and adopted by authoritative circles in the United States... not only would the Dollar Gap be less menacing but there would be also better prospects for improvement of the standards of living in Southeast Asia."

"Rice is a pan-Asiatic problem which particularly affects the countries in which we are most interested. It is becoming a far more serious problem than is generally recognised... the present situation is one which gives rise to great disquiet."

Addressing shareholders, Sir Arthur said: The net profit for the year amounts to HK\$17,321,405 after making transfers to reserves for contingencies, out of which reserves full provision has been made for all bad and doubtful debts and for the further winding down of our investments, which appear in our Balance Sheet at below market values. The balance of profit brought forward from last year is \$8,075,332 and the total available for distribution accordingly amounts to \$25,396,737. As in previous years, it is recommended that a sum of \$3 millions be appropriated to write down the value of Bank "Frustrated" and "after allowing for this amount, the interim dividend of £2 per share and the final dividend of £3 per share is now proposed, there remains a balance of \$9,489,174 to be carried forward to next year.

Turning to the Balance Sheet it will be seen that the total of \$221 millions shows a decrease of some \$35 millions over last year. As you will be aware there has been in the post-war years a very considerable increase in our figures. The total of our Balance Sheet during the two previous years increased by over \$65 millions and last year's figures constituted an all-time record in the history of the Bank. It is not surprising, therefore, that the fall in the value of primary commodities and the general recession in trade which has taken place during the year in the areas in which we are most interested should have resulted in some contraction in our figures.

On the Liability side of the Balance Sheet, the contraction in this year's figures is reflected by a drop of £31 million in Current, Deposits and Other Accounts and a decrease of some £22½ millions in Acceptances on behalf of Customers.

On the Assets side the general recession in trade has resulted in a drop from some £51 millions to £38 millions in our holdings of Bills Receivable, which even greater had not been off-set by an increase of over £7 millions in our holdings of British Government Treasury Bills which are included in this figure. Decreases of £6½ millions and £2½ millions respectively are also shown in Advances to Customers and in the Liability of Customers for Acceptances. Money at Call which now amounts to nearly £41 millions shows a decrease of some £2½ millions over last year, but this decrease is partly off-set by an increase in Cash Balances of some £3 millions. In this connection it may be noted that although there has been a decrease in the total of Cash and Money at Call the overall percentage of these two items to our total Liabilities to Customers has increased since last year from 38.05% to 40.46%.

Trading conditions in many parts of the world, and particularly in the territories in which the Bank operates, have been more than usually difficult throughout the year and your Directors consider that, with the existing unsettled political conditions, it is essential to continue to pursue a conservative financial policy.

POLITICAL SURVEY

Each year at this time when I come to consider what should be said about political developments in the East, I feel inclined to pass the subject by and to confine myself to a few remarks on trade. But I realise that this would be to shirk an important duty to shareholders, who undoubtedly have a right to know what their Board's views are on the political aspects of affairs. The business of an overseas bank like this is naturally liable to be affected by political considerations and we are bound to keep a continuous and close watch on the international tug-of-war and the effect of changes of government on a country's internal affairs and on external relations with others. I think that I can fairly say that during the past year the Eastern political situation as a whole did not deteriorate even though stability was lacking. Hopes of an early settlement in Korea have unfortunately been shattered; this naturally gives rise to nervousness and makes the outlook perplexing.

Undoubtedly the Governments of India and Ceylon have strengthened their position as a result of the popular elections in India and Ceylon. Leaders have succeeded, in spite of critical periods, in maintaining the country in a stable and orderly condition. Ceylon too, in spite of the loss of that great statesman, the late Prime Minister Mr D. S. Senanayake, has established her political position in the world.

TURIN OF TIDE

Malaya has seen a definite turn in the tide and Burma has good grounds for hoping that the insurgents will no longer be so serious a menace as in the past. Thailand's prestige has suffered from rumours of disaffection and dissension but the strong arm of the Government continues to prevail. The Philippines have many complex issues to solve but there does not seem to be a serious danger of untoward changes. The Indonesian Government is unfortunately faced with dangerous and threatening problems but has successfully surmounted more than one crisis. The same applies to Indo-China but, in a far more critical way, Japan's political future seems secure for some years to come, but the country has serious economic

difficulties and if they cannot be solved this may well affect the political aspect.

This brings me to China which at the present time is closely following the Russian line although there are some prophets who foretell that one day this role may be changed if not reversed. Were it not for China's serious involvement in Korea the outlook for her economic development and for the new Five Year Plan would be far happier. It would be a mistake to deny that great feats have been accomplished in agricultural production, but the fundamental truth about China cannot easily be ascertained while strict regimentation persists and true freedom keeps silence.

POTENTIALITIES

Now that our banking interest in China is confined to liquidating our position and withdrawing our foreign staff, it is natural that our attention should be focused on other potentialities for the expansion of foreign trade in the other countries of South and East Asia. In this area, excluding China, there is a population of some 500 million people which is growing at the rate of one per cent a year. Although the national income of these countries is low in comparison with that of Western countries, it is clear that Asia is rapidly raising its standard of living and in order to meet the demands of the people vigorous efforts are being made to expand the production and export of primary products so as to pay for the import commodities which are in ever-increasing demand. There is therefore adequate scope for the diversion of our energies and resources to these areas.

FULLY JUSTIFIED

The Chancellor of the Exchequer decided to adopt a monetary policy as the main instrument to effect his purpose and the Bank Rate was raised from 2½% to 4% on March 11th 1952. This step seems to have been fully justified by the outcome of events. I do not propose to dwell on the technical aspects of the Dollar problem, but I wish to remind you of the fact that the countries in which this Bank operates (with the exception of Japan) are agricultural countries largely dependent on their crops and other satisfactory prices being obtained for their export produce. Such prices vitally affect the livelihood of producers and the standard of living throughout the East which badly needs

raising. If, then, prices are depressed, the result may well lead to unfortunate consequences to the economy of producing countries, to discontent and possibly to popular revolts against established governments which are naturally held to blame for any deterioration in conditions. Here there is fertile ground for political agitation by unscrupulous agitators with dubious or false ideological axes to grind. In such a state of affairs reactions are felt throughout the world and thus also the industrial countries are affected. This fact was pointed out by the influential Paley Commission, which was set up by President Truman to whom it made a lengthy report last June. The report contained the following important paragraph in its final summing up: "If we fail to work for a rise in the standard of living in the rest of the free world, we thereby hamper and impede the further rise of our own and equally lessen the chances of democracy to prosper and peace to reign the world over."

Naturally we hope that a statement such as this by an important presidential commission will be given full weight but, as our Malayan friends know so well, there is a wide gap between preaching and practice.

SLOGAN AS POLICY

It is true that for some years the United States has been able to point with justifiable pride to the work of the Point IV programme of the Mutual Security Agency and of the Technical Co-operation Administration, for which the East is duly grateful. But such generous and helpful aid has hitherto only scratched the surface of what is needed. The Chancellor of the Exchequer invented the slogan "Trade Not Aid" which has been adopted as Government policy. If the basic principle as stated by the Chancellor were to be accepted and adopted by authoritative circles in the United States (as it is indeed being accepted by many far-seeing Americans and apparently by the Paley Commission) not only would the Dollar Gap be less menacing but there would be also better prospects for improvement of the standards of living in South-East Asia. I deliberately use the words "better prospects" because more is needed than just external action to improve the trading and commodity outlook. The Governments of the East need to play their part and that is a vital one, but one thing I would urge most strongly—that no attempt should be made to introduce industrialisation on a rapid or large scale. It would be far wiser to concentrate all available capital and energies on food and agricultural production and on those ancillary industries which depend upon the raw materials available in the country concerned.

THE VITAL PRODUCT

Of the primary commodities produced in the East, rice is the most vital one although food, sugar, tea, tobacco and minerals are all of great importance. Rice is a pan-Asiatic problem which particularly affects the countries in which we are most interested. It is becoming a far more serious problem than is generally realised. I referred to this matter last year but the present situation is one which gives rise to great disquiet. In the five main rice consuming countries in Asia the total consumption of

(Continued on Page 9)

Bank's New Chief Manager



Mr Michael W. Turner, who succeeds Sir Arthur Morse as Chief Manager of the Hongkong and Shanghai Banking Corporation, photographed at his desk.—Staff Photographer.

Seizure Of Canton Properties

Britain Expected To Protest

London, Feb. 26. Britain will protest in Peking against the seizure of British-owned wharves and warehouses in Canton, it is understood from an authoritative source.

The properties, which include two wharves and 10 warehouses, are the property of the China Navigation Company, a subsidiary of the great British China shipping and general trading concern of Butterfield and Swire.

The properties have been seized by the local Chinese authorities.

This follows extensive seizure of British property in Shanghai.

Early last summer the British China firms announced their intention to wind up business in China because they considered that trading conditions had become impossible under the Communist Government.

But despite diplomatic support from the British Embassy in Peking most British businessmen in China, numbering between 600 and 700, have not yet been permitted by the Chinese authorities to complete the required formalities.

These include acquiring exit permits and paying off Chinese staff.—Reuter.

British Proposals For Canal Zone Reported Drafted

London, Feb. 26.

Informed sources here said tonight that the British cabinet had drafted broad outlines of proposals to be made shortly by Britain to Egypt on defence of the Suez Canal zone.

This source said that Britain would make two main proposals:

(1) That Egypt should agree that the Suez Canal zone should continue to be the corner stone of the Middle East defence system.

That would mean co-operation by Egypt's military forces and personnel of an international military organisation in which Egypt would be on equal footing with other member states.

(2) Egyptian forces would be responsible for the defence of the Canal Zone proper within the general framework of the Middle East Defence Organisation.

It was also believed that before Britain would agree to withdraw her troops from the Canal Zone, there would be three supplementary conditions:

(1) That British forces would again return to the Canal Zone in the event of a war or threat of war.

(2) That British technicians should watch over the maintenance of military installations in time of peace.

(3) That Royal Air Force should be stationed together with the Egyptian air force at eight bases in the Canal Zone.

WANTS "NEUTRALS"

It is understood here that the Egyptian Prime Minister and Commander-in-Chief, General Mohammed Naguib, has already pointed out that he would like

the technicians in the Canal Zone to be "neutrals."

Britain is not expected to accept this proposal and to suggest it needed that Atlantic pact technicians be selected.

Well-informed sources here said that Britain would keep well in mind her main task in coming negotiations which will be to ensure that Egypt will enter the Middle East Defence Organisation if Britain were to evacuate the Canal Zone, thereby saving General Naguib's face before Egyptian public opinion who had said that Egypt would consider entering MEDEO after the British have evacuated from the Canal Zone.

In any case, the evacuation of British troops from the Suez Canal zone would take some time and would, thus, enable the British to return to their Suez Canal position if they saw that Egypt was not honouring her part of the bargain.—France-Press.

Under House Arrest

New York, Feb. 26. Mrs Earl Browder, Russian-born wife of the former United States Communist leader, was placed under house arrest today because she was too ill to be taken from her flat on a deportation order.

When the warrant for Mrs Browder's arrest was issued yesterday it was alleged that she entered the United States 20 years ago as an alien belonging to, or affiliated with, the Communist Party. She was thus inadmissible.

She and her husband are indicted with living in their application for naturalisation papers for her by denying that she had Communist sympathies.—Reuter.

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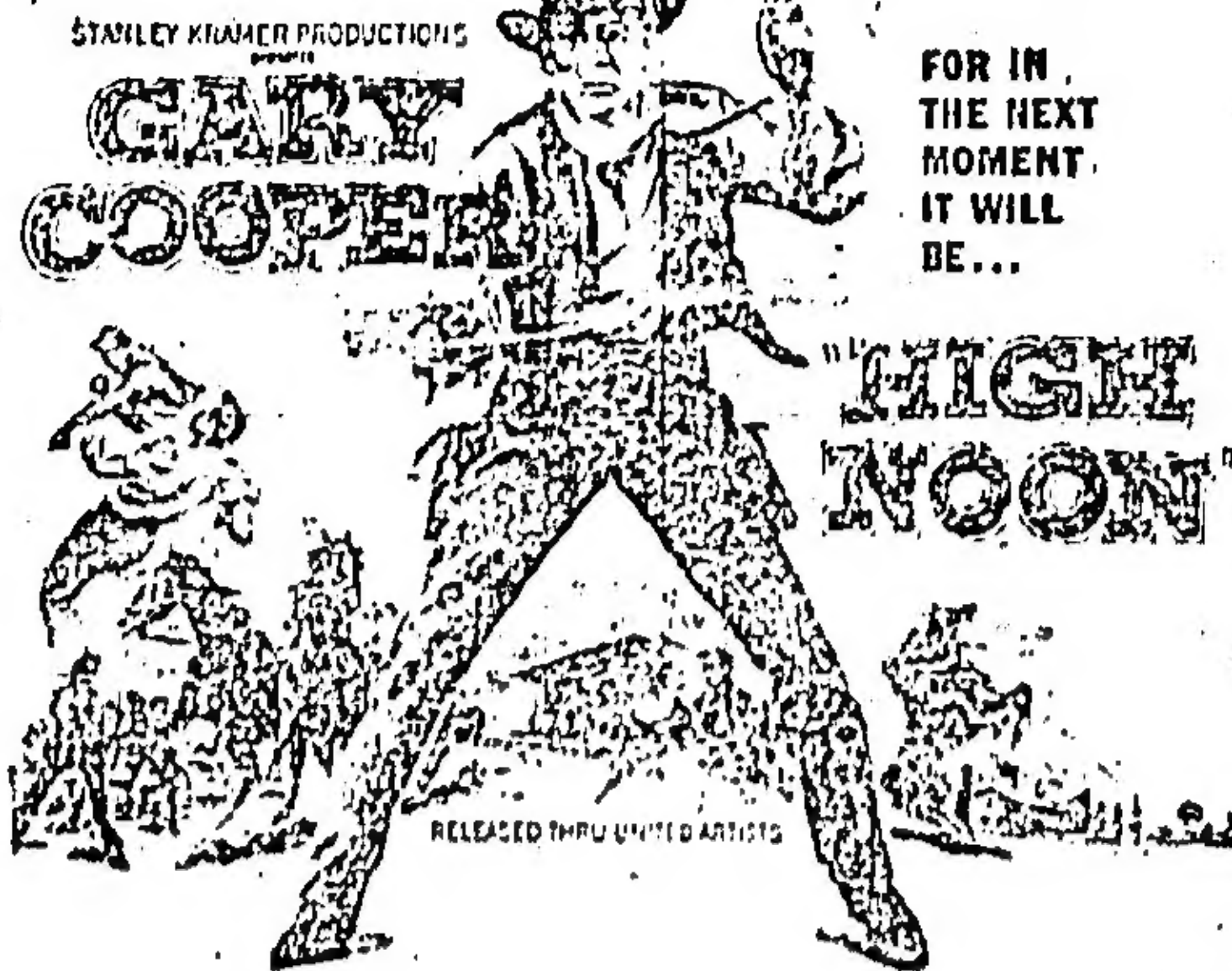
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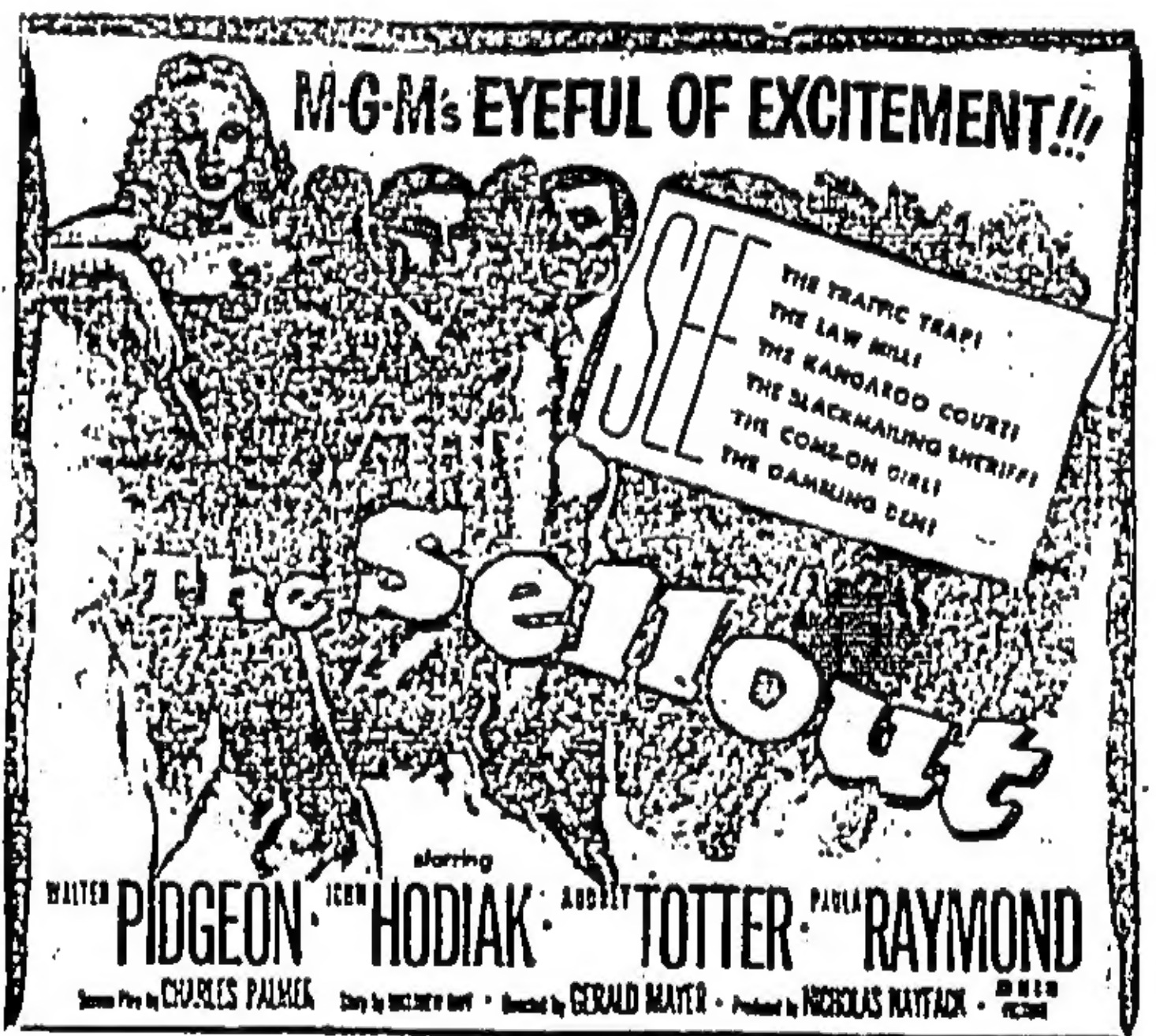
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British Rocket Research On Eve Of Big Developments

"FANTASTIC DREAMS NEARING REALITY"



This huge drum is made of copper and is used in El Fakher, in the Sudan, as the local "Hic Ben" with Sudanese striking out the hours. The drum was sent to Ali Dinar, the Black Sultan of Darfur, Western Sudan, by the Turkish Caliph in Istanbul, before the first world war. The Black Sultan was a despot whose reign of terror ended with his death in 1916. —Express Photo.

New Defence Moves Expected In Far East

Washington, Feb. 26.

Reliable diplomatic sources said today that Far East defence strategy involving Korea and Indo-China and close liaison between the Republic of Korea and Vietnamese forces would soon make important strides.

These Far Eastern moves are also expected to result in closer liaison between the French General Staff in Indo-China and the Australian Defence Department in Melbourne.

They expected Marshal Alphonse Juin, who is now in Indo-China, to confer with General Omar Bradley, chairman of the Joint Chiefs of Staff, immediately on his return to Paris. General Bradley is to reach Paris on March 7 to see a defence exercise at SHAPE Headquarters and Marshal Juin is expected there shortly afterwards.

The sources expected Marshal Juin's visits to General Clark's Headquarters in Japan and to the fighting fronts in Korea and Indo-China to result in close co-ordination of tactics between the two war fronts and result in an exchange of views on this subject between Marshal Juin and General Bradley in Paris.

A French-Vietnamese military mission will leave Indo-China this week for Korea, to inaugurate a series of liaison visits between the Republic of Korea and the Vietnamese forces, which are likely to result in permanent Korean and Vietnamese missions being attached to each other's headquarters.

The purpose of the French-Vietnamese mission is chiefly to study Republic of Korea training methods to see what can be usefully applied to the training of Vietnamese forces.

The visit would lay the foundation for future contacts between other Armed forces of the Far East, including those of the Philippines, but so far no plans are afoot to send a Republic of Korea or Vietnamese military mission to the Philippines.

High United States and French Staff officers attach great importance to close liaison between the armed forces of the Far Eastern nations. General Bradley considers such visits of great importance to enable Staff officers of the different armed forces to know each other on personal terms.

The French Minister for the States of Indo-China, M. Jean Létourneau, will pay an official

Next Change at the KING'S-EMPIRE-MAJESTIC

Anna Magnani (The most impressive actress since GARBO — LIFE)

HER FIRST ALL ENGLISH DRAMA

"VOLCANO"

London, Feb. 27.

A team of British and Australian experts is leaving here today to set up the world's first privately-owned rocket station in Australia.

The Hawker-Siddeley group of companies announced that it is building a factory devoted exclusively to rockets and guided missiles at Salisbury, near Adelaide, South Australia.

The well-known British aircraft manufacturers said the new station would be in effect a field trial centre, in communication with Coventry where basic research had been carried out since the war at the factory of Armstrong-Whitworth — the big armament works — under very heavy security.

The statement said that launching ramps, electronic gear, calibration and other test equipment was now being installed.

Mr H. M. Woodhams, managing director of Armstrong-Whitworth, said: "We plan to carry out exhaustive shooting tests into the stratosphere and beyond. This is a private enterprise venture of the Hawker-Siddeley group in which a great deal of money is being invested. We are, of course, working with departments of both the British and Australian Governments."

NEAR REALITY

"It is a great pity that the public must, for security reasons, remain unaware of the immense and magnificent facilities placed by the Australian Government at the disposal of the Commonwealth rocket project."

"Our research now indicates that we are on the threshold of great new developments. We are now at the stage where our one-time fantastic dreams can be brought into reality."

Sir Frank Springs, KBE, managing director of the Hawker-Siddeley group said "Rockets and guided missiles are the next stage after our very latest jet aircraft."

"We have enough research at the back of us at this stage to convince us that investment in this new field is worthwhile. Our group proposes to be in the vanguard."

The team leaving today is led by Mr R. J. Woodhams, brother of Mr H. M. Woodhams. Others in the team are Bernard McQueen, Charles Black, John W. Cooper, all British, and three Australians, Peter Arnold, John Cochrane and Steven Hart. —Reuter.

Bulgarian Protest To Yugoslavia

London, Feb. 26.

Bulgaria has lodged an "energetic protest" with Yugoslavia against an "unwarranted order" by which three of her leading diplomatic representatives, including the Charge d'Affaires, had to leave Yugoslavia on February 13, the Bulgarian news agency said today.

A Note described the Yugoslav action as the result of a policy against peace and security in the Balkans in line with "the war plans and preparations of the aggressive Atlantic bloc", the agency said.

Yugoslavia sent a Note to Bulgaria on January 29 declaring that she should either give an undertaking within 10 days that the Yugoslav Embassy would be allowed to function normally or recall three Bulgarian representatives in Belgrade.

This reduced the staff of the Embassy to the same number as the Yugoslav representation in Sofia. —Reuter.

Violent Quake Recorded

Mobile, Alabama, Feb. 26.

A violent earth tremor was recorded on the seismograph of Spring Hill College near here this morning.

It was believed that the epicentre was situated West of Nicaragua and North of Costa Rica. —France-Press.

Bevan Makes A Forecast

Madras, Feb. 26.

Mr Aneurin Bevan, Britain's former Health Minister and initiator of the National Health Service, said here today all countries in the world—even the United States—would eventually come round to adopting such a scheme.

Mr Bevan, who was addressing the Indian Medical Association, said: "No nation which cares will tolerate the achievements of modern science being shut off from a large section of the population on account of bad organisation or poverty."

Lack of resources could be no reason for not starting a similar scheme in India, Mr Bevan said. —Reuter.

Stevenson Writes On Campaign

New York, Feb. 26.

Mr Adlai Stevenson today gave six reasons for his defeat in the presidential elections. These reasons were:

- 1.—Republican falsehoods about his governorship of Illinois.
- 2.—Republican charges linking him with Alger Hiss.
- 3.—President Eisenhower's trip to Korea.
- 4.—The Republican "time for a change" slogan.
- 5.—President Eisenhower's "great popularity."
- 6.—A few wrong guesses.

Mr Stevenson discussed the presidential campaign in an article in Life magazine entitled "A Candidate Tells A Candid Story."

It will be incorporated into the introduction of a book of Mr Stevenson's campaign speeches to be published next month.

Mr Stevenson said that before the campaign got under way he feared that it would turn largely on "Korea, corruption and Communists in the Government etc."

He said that these were not really the controversial issues between him and Mr Eisenhower. That was why, he said, he had tried to "talk sense." He had assumed that the Korean war would not be a "politically fruitful tree to shake during the campaign." He decided early in August that if he were elected he would make a quick journey to Japan, Korea and India.

"We kept the plan secret, fearful that it might be construed as just a political gesture. This may have been a mistake and while I cannot approve the General's speech about going to Korea and the implication of an early settlement or the misleading use that was made of it, I think he did the right thing to go out there and that we will all benefit from his first-hand information." —United Press.

AT 2.30, 5.15, 7.20 & 9.30 P.M. QUEEN'S PRINCESS AT 2.30, 5.30, 7.30 & 9.30 P.M.

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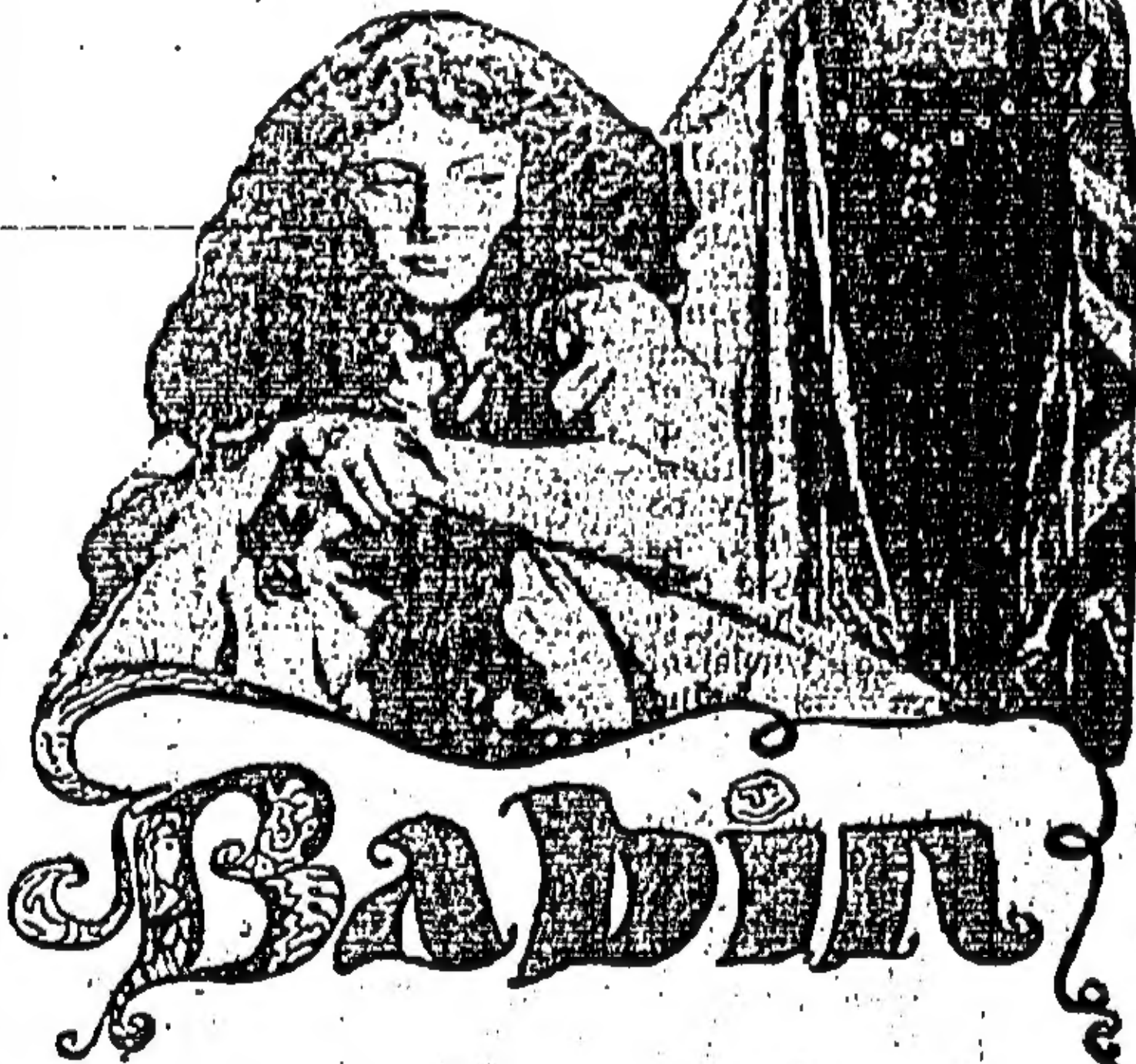


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A Wonderful French Film with English Sub-titles



The True Story of a Witch Woman

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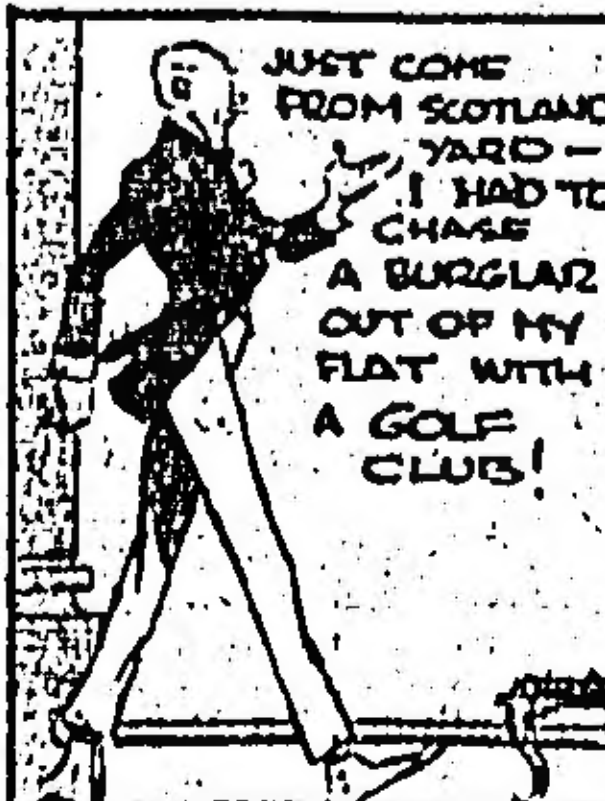
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SUPRANATIONAL CONSTITUTION

Draft Drawn Up By Six European Countries

Britain Planning Big Textile Sales Drive

Manchester, Feb. 26. Britain is planning a new sales drive to fight Japanese and other foreign competition in cotton textiles in British African Colonies.

The President of the Board of Trade, Mr. Peter Thorneycroft, has asked the cotton chief, Sir Frank Platt, to launch a new co-operative marketing scheme for cotton textiles.

The scheme needs the co-operation of all sections of the industry to secure adequate and continuous supplies of the right types of cloth for the African Colonies—at prices cheap enough to effectively counter competition from Japanese and other foreign producers.

Sir Frank Platt, Vice-Chairman of the Lancashire Cotton Corporation, one of the world's leading spinning combines, is discussing the problems involved with other industry leaders here tonight.

The background to the proposed sales drive is the fact that, despite local import restrictions, Japan has been selling more cotton textiles in the British Commonwealth Colonies than Britain itself.

At the International Cotton Textile Conference at Buxton, Derbyshire, last autumn, Lancashire announced its intention of winning back its world markets and raising total cotton cloth exports by more than 50 per cent over the 1951 level.—Reuter.

P.O. Experts For India

Liverpool, Feb. 26. Two British post office officials leave here on Saturday for India where they will act as advisers to the Indian Government on the mechanisation of the Indian postal services.

They are Mr. Frank Wyatt, Guernsey, of Altrincham, Cheshire, and Mr. P. B. Smith, of London. They are going to India under a Colombo Plan for aid to under-developed areas.

The experts will stay part of the time in Delhi. They will also visit other postal centres including Bombay, Ahmedabad, Calcutta and Madras.

Mr. Wyatt is Assistant Postal Controller of the North-western region of the General Post Office. Mr. Smith is a technical consultant in the London region.—Reuter.

Will Be Submitted To The Strasbourg Assembly

Paris, Feb. 26. Parliamentarians from France, the three Benelux countries, Italy and Western Germany tonight finished drafting a European supranational constitution for submission to the Strasbourg Pre-Constituent Assembly on March 6.

The 113-article draft was adopted by 21 votes to four with four abstentions. The French Socialist leader, Guy Mollet, was among the abstainers.

The main points of the draft constitution are:

1. A Peoples' Chamber will be elected by universal suffrage by the people of France, Italy, Western Germany, the three Benelux countries and the Saar.

2. The Council of National Ministers has as its task to harmonise the work of the Executive Council and the different European governments. Each European government belonging to the European Community delegates one of its Ministers to sit on the Council of National Ministers.

3. The Council of National Ministers will have mainly consultative functions.

4. A Court of Justice.

5. A Court of Justice.

6. The European Community will take over the functions of the assemblies of the Coal and Steel Pool and the European Defence Community when this is set up. The same applies to the Council of National Ministers, which will take over the work of the Council of Ministers of the Coal and Steel Pool and the EDC.

7. It was agreed that this process of transfer of power should take two years and that in the meantime the executive Council and other organs would have virtually no supranational powers.

8. The European Community will be able to conclude international agreements and treaties within the framework of its competence. The Community will act as co-ordinator for the foreign policies of the member countries.

9. The Executive Council can act for all countries concerned when the Council of National Ministers has agreed unanimously on a question.

10. The Senate will be set up in the month following the treaty taking effect. It will have to fix the date for the elections of the Peoples' Chamber, but no later than six months after the treaty has become valid.

11. The draft constitution will be known as "the Statute of the European Community."—Reuter.

12. The Dutch Foreign Minister, Joannes Willems, said here today that Holland would refuse to enter the projected European political community unless it provided for a single market.

He told reporters that, in the view of his Government, it would be harmful to try to pool the six governments "without at the same time cutting away economic barriers between their nations."

M. Beven was outlining the project for a single market accepted yesterday as a basis for study by the Foreign Ministers of France, Western Germany, Italy, Belgium and Luxembourg.—Reuter.

13. The idea of including charges against the anti-Muslim practices of the Soviet Union emerged as it became clear that Arab nations were unwilling to go along with what would amount, in one sense, a defence of Zionism.

But they were considered more likely to add their voice to a general condemnation of anti-religious policies.

Diplomats believed that such a concerted move would have the desired effect of hampering the current Soviet offensive to woo Arab governments through anti-Zionist attitudes.

The most notable of them — and one of the first indications of Russia's new Near Eastern policy — came last autumn when the Communist bloc here switched its votes in a plenary session to help kill an Israeli-inspired resolution calling for Arab-Israeli peace talks.—United Press.

him, will be known as Ministers of the European Community. This Council remains in effect as long as the term of the Peoples' Chamber unless it is censured by one of the two houses of Parliament. A vote of censure in the Peoples' Chamber will be valid only if it has the support of three-fifths of the deputies.

1. A Peoples' Chamber will be elected by universal suffrage by the people of France, Italy, Western Germany, the three Benelux countries and the Saar.

2. The Council of National Ministers has as its task to harmonise the work of the Executive Council and the different European governments. Each European government belonging to the European Community delegates one of its Ministers to sit on the Council of National Ministers.

3. The Council of National Ministers will have mainly consultative functions.

4. A Court of Justice.

5. A Court of Justice.

6. The European Community will take over the functions of the assemblies of the Coal and Steel Pool and the European Defence Community when this is set up. The same applies to the Council of National Ministers, which will take over the work of the Council of Ministers of the Coal and Steel Pool and the EDC.

7. It was agreed that this process of transfer of power should take two years and that in the meantime the executive Council and other organs would have virtually no supranational powers.

8. The European Community will be able to conclude international agreements and treaties within the framework of its competence. The Community will act as co-ordinator for the foreign policies of the member countries.

9. The Executive Council can act for all countries concerned when the Council of National Ministers has agreed unanimously on a question.

10. The Senate will be set up in the month following the treaty taking effect. It will have to fix the date for the elections of the Peoples' Chamber, but no later than six months after the treaty has become valid.

11. The draft constitution will be known as "the Statute of the European Community."—Reuter.

12. The Dutch Foreign Minister, Joannes Willems, said here today that Holland would refuse to enter the projected European political community unless it provided for a single market.

He told reporters that, in the view of his Government, it would be harmful to try to pool the six governments "without at the same time cutting away economic barriers between their nations."

M. Beven was outlining the project for a single market accepted yesterday as a basis for study by the Foreign Ministers of France, Western Germany, Italy, Belgium and Luxembourg.—Reuter.

13. The idea of including charges against the anti-Muslim practices of the Soviet Union emerged as it became clear that Arab nations were unwilling to go along with what would amount, in one sense, a defence of Zionism.

But they were considered more likely to add their voice to a general condemnation of anti-religious policies.

Diplomats believed that such a concerted move would have the desired effect of hampering the current Soviet offensive to woo Arab governments through anti-Zionist attitudes.

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Dr. Starcke, a Danish M.P., is trying to solve the mystery of the murder of Gledrud Bodenhoff, who died at the age of 19 about 150 years ago. The investigations have revealed a skull which, according to an expert, is that of a young woman of not more than 22. Although the skull shows no marks of violence, its position when found (face downwards), is considered to be important in the solving of the mystery. Dr. Starcke believes he is related to the murdered woman. Here Dr. Starcke and the expert examine the jawbone from the skull of the murdered woman.—Express Photo.

Free World Tired Of Russian Invective

New York, Feb. 26. The chief Australian delegate Sir Percy Spender, bluntly told the Soviet Foreign Minister, Andrei Vyshinsky, today that the free world is weary of the Russians' "tirade of invective and vituperation."

Sir Percy asked Mr. Vyshinsky to produce "by way of a change some real and constructive approach to this desperate and difficult problem" of Korea.

The Australian's speech to the United Nations 50-nation Political Committee came as most members awaited Mr. Vyshinsky's views before expressing their own.

M. Vyshinsky was not present as Sir Percy spoke.

Sir Percy said: "Mr. Vyshinsky, the free world is not at all afraid as you seem to think—of your propaganda. It is simply sick and tired of it. We are weary of the same tirade of invective and vituperation."

Sir Percy, the only speaker today, repeated the charges first made yesterday by Senator Henry Cabot Lodge Jr., chief U.S. delegate, that Russia started and is supporting the Red war effort in Korea.

Sir Percy said the United Nations must stand firm on the principle of not sending home any Red prisoner who says he fears for his life under the Communist regime.

Sir Percy said, "The peoples of all the world, and especially those whose life and life are fighting in Korea... are yearning for peace, and peace is denied them by the ambitions and by inhuman intransigence of Russia and China."

Sir Percy deprecated Communist proposals for a political conference to settle the Korean war and possibly other Far Eastern problems before a Korean armistice has been reached and prisoners returned.

He said, "It is easy to imagine what further demands they would make during the course of such negotiations and how stubbornly they would press for satisfaction of those demands, always holding our prisoners as hostages."—Associated Press.

During his week or 10-day trip, Mr. Talbot will make inspections and hold conferences at Far East Air Force headquarters and commands, including the Fifth Air Force in Korea.—Associated Press.

Washington, Feb. 26. The Air Force Secretary, Mr. Talbot, left by plane today for his first inspection of units and installations in the Pacific and the Far East.

He was accompanied by General Carl Spaatz, former Air Force Chief of Staff, and three senior members of the Air Force headquarters staff.

During his week or 10-day trip, Mr. Talbot will make inspections and hold conferences at Far East Air Force headquarters and commands, including the Fifth Air Force in Korea.—Associated Press.

SUPREMO IN KENYA WANTED

European Leaders Make Request

Nairobi, Feb. 26.

European leaders on Kenya's Legislative Council tonight put forward a fresh demand for the appointment of a Supreme Commander on the Malayan pattern to direct full-scale operations against the Mau Mau terrorists.

They made their demand at a special meeting of the Executive Committee of the Colony's Emergency Council over which the Governor, Sir Evelyn Baring, presided at Government House.

Major-General William Hinde, the Governor's Chief Staff Officer and the Commissioner of Police, Mr. Michael O'Rourke, were present.

They heard Mr. Wilfred Havelock, secretary of the RUOPCA, elected members' organisation of the Legislative Council, speak of the extreme concern which Europeans now felt over the divided command in operations against Mau Mau.

Mr. Havelock said the recent appointment of Major-General Hinde as chief co-ordinator of Government measures against the terrorists had failed to achieve a welding of the Government forces into a solid team.

The European leaders said today that they were in full agreement with the views of General Sir John Harding, Britain's Chief of the Imperial General Staff, who had emphasised on his recent visit the need for complete co-ordination and co-operation between the Army, Police and civil population.

TERROR GROWING

One of them told Reuter that the lack of co-ordination between various services had led to complete chaos and efforts were being dissipated through lack of central control. Nobody knew who was his master or who was ultimately responsible for policy, this informant said.

Despite the efforts of 20,000 troops, police and home guards the Mau Mau terror was growing. Apart from the appointment of a Supreme Commander with untrammelled authority to stamp out the menace, the European leader said these were two of the measures urgently necessary.

1. All Kikuyus must be concentrated in adequately guarded special villages to form the basis of resettlement and rehabilitation.

2. Ruthless action against all foreign subversive influences and the removal, by force if necessary, of the thousands of African forest squatters who are the "lifelines" for food and information for the terror gangs.—Reuter.

Worried By Competition

Zurich, Feb. 26. Advances made in the United States in the improvement of cotton fibres will be discussed by master cotton spinners of the world at a series of five European conferences in May or June.

A committee of the International Federation of Master Cotton Spinners and Manufacturers Associations adopted the proposal, which came from a United States delegate, at the opening of a two-day conference.

Mr. Reid Dunn, Jr., Director of the Foreign Trade Division of the United States National Cotton Committee, said the "operating factor" in his committee's offer was the need to meet competition from synthetic fibres.

Thirty-eight committee members from 14 countries attended today's meeting.—Reuter.

Lee and GREAT WORLD

Next Change at the K'NG'S—EMPIRE—MAJESTIC

Anna Magnani (The most impressive actress since CARBO—LIFE)

in HER FIRST ALL ENGLISH DRAMA "VOLCANO"

SCOUT FAIR KOWLOON TROOP AT KING GEORGE V SCHOOL SATURDAY, FEBRUARY 28

SPECIAL ATTRACTIONS H.K. POLICE BAND (By kind permission of the Commissioner of Police) ARMY DOG GUARD UNIT

22 RIFLE RANGE MOVIE SHOWS HANDCRAFT BARGAINS MAGNIFICENT PRIZES Etc. Etc. BE PREPARED For A GRAND AFTERNOON 3 p.m.—6 p.m. IN AID OF GROUP AND FLOOD RELIEF FUNDS

STAR SHOWING TO-DAY

AT 2.30, 5.00, 7.20 & 9.40 P.M.

CAROLINE CHERIE

WITH ENGLISH SUBTITLES



Mar. 1, S. She's Working Her Way Through College

2, M. Untamed Frontier

3, W. An American in Paris

4, T. Meet Time

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No Change

The consistent quality of "Black & White" has made this fine Scotch the natural choice of the connoisseur. But the secret that makes "Black & White" so outstanding is the special way fine Scotch whiskeys are blended to make them finer still. You can appreciate the difference with the first sip—and how good it is.

'BLACK & WHITE'
SCOTCH WHISKY
The Secret is in the Blending

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Scotch Whisky Distillers
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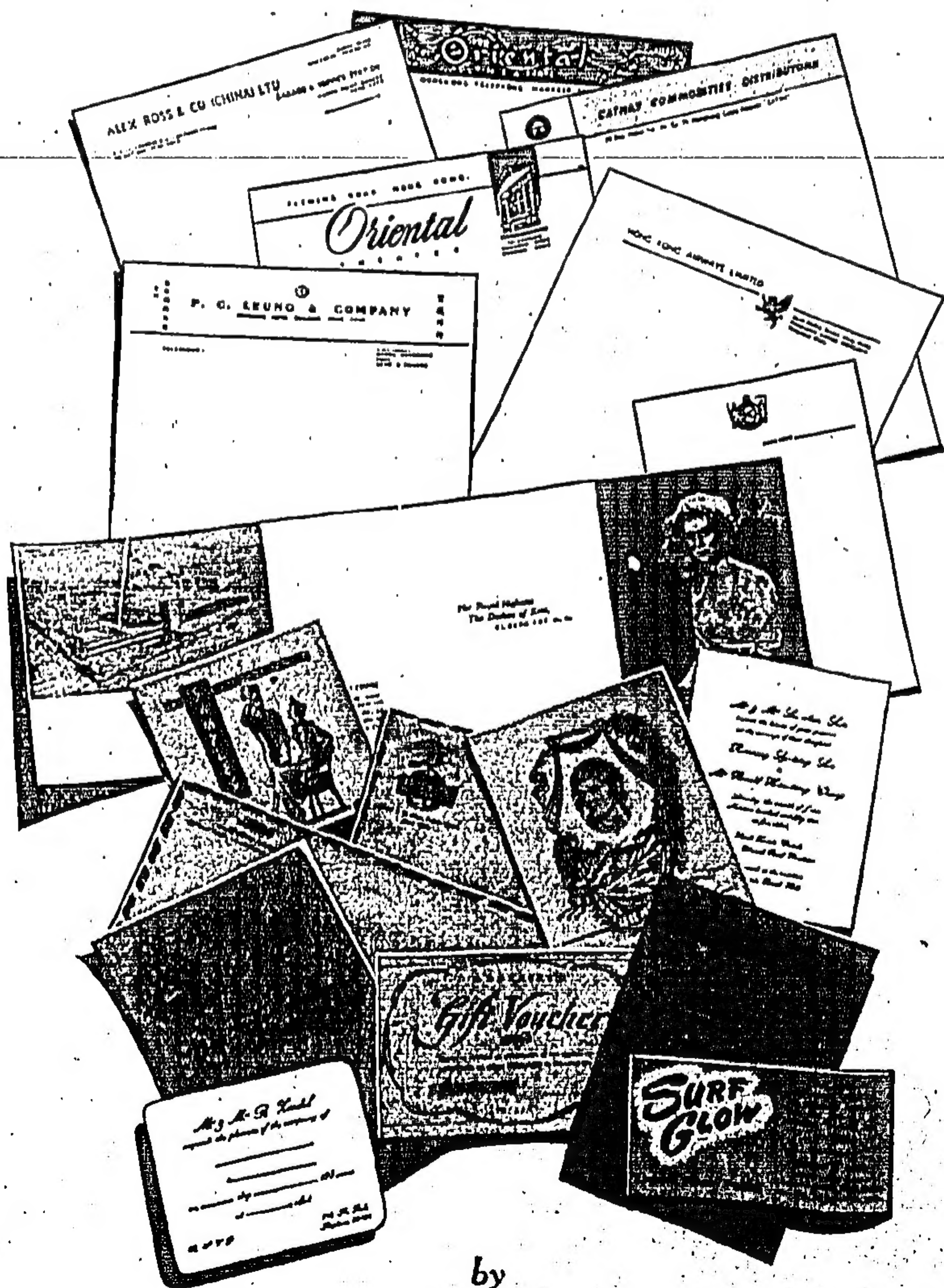
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OVERSEAS ENQUIRIES INVITED

Pressing Problems Of S'pore & Malaya Discussed By HK Bank Chairman

(Continued from Page 1)

calories is from 10% to 24% below a proper nutritional standard and the production of rice is lagging behind demand, while rice supplies to the international market were under 5 million tons last year as against over 8 million tons in pre-war years. Moreover, a standard grade of rice which before the war sold at between £5 and £7 a ton has recently been fetching between £80 and £100 a ton in the free markets. Ways of solving this problem are being widely discussed and considered. There is for this year, the question of Government participation which under present circumstances seems difficult to avoid. Yet many authorities consider that larger Asiatic supplies would be available if Governments ceased to interfere.

As in past years I will now deal one by one with the various countries with which we are mainly concerned. First of all you will be interested to know that we have obtained the necessary authority to open our own office in Paris where we first appointed agents in 1895. We have found very suitable premises at No. 22 Place Vendôme and we hope to commence business there about the middle of this year. In due course our Lyons Office will be closed. It was first established there 72 years ago in connection with the important silk business of those days, which has now, said to say, come to an end.

UNRUFFLED PERIOD

Looking back at the past year in Hongkong I think you will agree that by and large it has been a surprisingly untroubled year. At the beginning of the year there appeared to be many possibilities of political impediments to steady development, but law and order was maintained throughout. For this we have to thank the efficiency of our Commissioner of Police and his men as well as the salutary effect of the presence of British military forces who are so welcome and valuable to Hongkong. As a consequence there has been good progress in all the services provided by Government. The Public Utility Services have continued to develop, particularly the electricity companies whose output for the needs of the com-

munity has doubled since 1949. Domestic supply has increased in line with the large housing development but the industrial supply has expanded even more noticeably. This shows that industrialisation in the Colony is still forging ahead; the existing local industries with few exceptions, have steadily expanded and on balance 100 more factories were registered in 1952 than in 1951. Although most of these industries are on a very small scale their total output amounts to an appreciable figure; their exports alone are estimated to have been worth nearly \$500 millions in 1952 and textiles accounted for some 63% of this total.

The Hongkong Clearing House figures were about 20% lower than in 1951 as was to be expected, but they were almost exactly the same as in 1950. The Bank Note circulation figures again remained steady at just over \$800 millions while the local retail price index ended the year slightly lower than a year earlier after only minor fluctuations.

COLONY'S FINANCES

The finances of the Colony remain highly satisfactory. The latest returns show that revenue is likely to exceed the estimates by a considerable sum owing mainly to a surprising increase in the Earnings and Profits Tax due no doubt to the additional staff appointed to deal with this work during the year. The Financial Secretary is to be congratulated on the happy position in which he finds himself. There is an insignificant Public Debt; he is likely to have another good surplus to add to the General Revenue Balance which on March 31st last year already amounted to \$219 millions and he has the Development Fund, with a balance of over \$57 million at the same date, to which the trading profits for the year are to be added. The Legislative Council was therefore fully justified in approving, on December 31st, the gift to Her Majesty's Government of a further sum of \$10 millions over and above the \$10 millions included in the estimates for the current year, as a contribution to the cost of reinforcing the Garrison.

The short visit paid to Hongkong by Her Majesty's Government in October was a very successful and welcome event which has contributed much to further good relations between all communities, not only in Hongkong but also in Malaya and Borneo.

COLONY'S TRADE

As regards trade, there have been various references in articles in the United Kingdom to the "colossal boom" in Hongkong which is alleged to have prevailed here since the end of the war. In fact the so-called boom in Hongkong merely covered the period when, as a result of rearmament and the consequent rise in the cost of living, the demand for goods in Hongkong was exceptionally swollen from the summer of 1950 to June 1951, when the United Nations' embargo was imposed on shipments of strategic goods to China. After that period Hongkong's monthly trade figures (excluding only China) settled down rather above the line of early 1950 which had been a very satisfactory period for trading. Coming to 1952 you will find that the total import figures (even including China) were almost exactly the same as for 1950. Further, the average monthly export from Hongkong in 1952, to countries other than China, were higher than any similar monthly figures, except during the above-mentioned boom. Indeed imports from China at \$30 millions have only shown a fall of about 3% in the last three years, but exports to China in 1952 were down to \$520 millions as compared with \$1401 millions in 1950 and \$1004 millions in 1951. The advantage we gain by the excess of imports from China is obvious and while the loss of so much export trade to China is of course a serious matter, the trade was in 1950 and 1951 an exceptional phase caused by China's stocking up on account of the Korean war.

STRICTLY LICENSED

But I must mention here that quite a considerable trade to and from China, by-passing Hongkong, has been proceeding from European continental ports direct to various ports in China and back again. I do not intend to refer to the rumours about a possible blockade of the China coast but I want to emphasise that the present Hongkong export trade to China, as is well known, is strictly licensed under arrangements made with the Home Government and it does not include any strategic commodities. Hongkong in fact is strictly complying with the United Nations embargo on items useful in the production of arms, munitions and implements of war.

His Last Address To Shareholders



Sir Arthur Morse, flanked by members of the Board of Directors, is seen here this morning delivering his final address to shareholders of the Hongkong and Shanghai Banking Corporation prior to his retirement next month. — Staff Photographer.

In dealing with Hongkong's trade I have so far dealt only with trade values. If the volume of trade is considered it will be found that the tonnage of commercial cargo recorded here in 1952 was 10% lower than in 1951 and 30% lower than in 1950. In this respect price changes and other factors complicate the picture.

Although Hongkong's entrepot trade with countries other than China remained very active throughout 1952 there have recently been signs of hesitation and unfortunately hindrances to trade imposed by governments are very much the fashion everywhere. For instance the restrictions on Japanese trade put into force here recently by our Exchange Control at the instance of the Home Government are proving harmful to Hongkong merchants and to the entrepot trade from which we all benefit. Similarly the recent import regulations imposed in Indonesia added to the above mentioned restrictions are affecting our export trade to that country which in 1952 reached record figures. We can only hope that governments will interfere as little as possible with the stream of trade which eventually almost always finds its way round the obstructions set in the way.

MALAYA

After Hongkong our Singapore Branch comes next in importance. We are vitally interested in the political and economic trends in Malaya and there is so much that could be said about the development there in the past year that it is difficult to know where to begin and where to end. I must necessarily be concise, but if you want fuller particulars about internal political and social affairs I recommend that you should read some of the important speeches made by the High Commissioner, General Sir Gerald Templer, in the course of the year.

One of the really pressing topics of the day is the communal problem—that of relations between the Malays and Chinese—which arises constantly in connection with Malayan affairs. The need to cement the friendliest bonds of understanding and goodwill between these two communities is of the highest importance.

But probably the most cheering feature of the present situation is that public confidence and morale has gained strength throughout the year as a result of the success against the Communists and because of the satisfaction at having a vigorous leader in Malaya at the head of affairs, with a clear unhesitant line of policy. There is greater efficiency in the administration, even though there are departments where economy and pruning are still needed, and there is a determination to ensure that the whole machine runs smoothly. In Singapore also there is satisfaction that the new Governor, Sir John Nicoll, whose well deserved decoration announced in the New Year's Honours List gave great pleasure to his many friends in Hongkong, is also wisely directing his policy to the efficient and reasonable economy in the Colony. The business community will give them their full backing in such steps as he is able to take.

BUDGET DEFICITS

The Federation Government and Singapore have accumulated satisfactory accounts during the

postwar years, but both Governments have deficits of \$97 millions and \$10 millions respectively, in their budgets for the current year. The Federation hopes to cover its deficit by the Security Loan of \$100 millions of 5% interest which was authorised last November; half of this has been successfully issued at par and another \$10 millions is at present on tap. I must confess that when this loan was floated it was rather galling to recall that only two years ago we were urged to subscribe liberally, as we did, to the Federation 3% Loan which now stands at about \$5. It should not be forgotten that the Federation expenditures include \$144 millions on account of the "Emergency" but it is to be feared that it will hardly be possible to eliminate this heading from the accounts for some years to come although we hope that the amount will be lower in future. Hitherto, apart from the contributions made by the Home Government and \$4 millions donated by the Singapore Government, the financial burden of the "Emergency" has throughout the whole period been borne by the Federation out of ordinary yearly revenue. Now it has been decided by the issue of the Security Loan, repayable in 10 to 20 years, to spread a small part of the load over a longer period of time. In September last the Singapore City Council floated successfully a small loan of \$25 millions at 5% repayable in 10 to 20 years, mainly to finance extensions to the Colony's electricity and water undertakings. So satisfied is Singapore with its financial position that the Government decided recently to make a gift of \$1 million to Her Majesty's Government as a gesture of goodwill.

TRADE FIGURES

As compared with 1951 the Malayan foreign trade figures for 1952 at first sight appear alarming since they show a drop from M\$10,710 millions to M\$7,042 millions or 29% in the year. However it must be remembered that 1951 was an exceptional year with trade figures no less than 56% higher than in 1950. Moreover in comparing 1952 with 1951 we find that while rubber exports were lower by no less than M\$2,000 millions, other exports were actually higher in 1952 than 1951—a significant fact emphasising how very important the rubber industry is to Malaya. Indeed the reversal of the favourable balance of visible trade which was M\$1,000 millions in 1950 and M\$1,270 millions in 1951 to an adverse balance of M\$552 millions in 1952 was certainly due to the rubber situation.

There is, however, still confidence in the long term outlook for the natural rubber industry especially as both the United States and the rest of the world's consumption for 1953 is estimated as likely to be higher than in 1952 while production may be lower. Unfortunately there is a certain uncertainty bearing down on the U.S. synthetic commodity which is impervious, but as I have already indicated, the Report of the Paley Commission may perhaps lead to a change in policy.

The production of tin was not very much below the 1951 total of 67,100 tons, and under present conditions and prices not much improvement in output can be expected, but excepting the continuing difficulty of prospecting for new tin-bearing areas, the industry is in a satisfactory condition and the Malayan figures remained about

39% of the world's output—the same as in 1951.

Having referred to these two very important primary industries upon which the economy of Malaya is almost too vitally dependent I must mention that some advance is being made in the establishment of secondary industries for which however there is still much scope. There are also interesting possibilities in future mining expansion for which external financial and technical assistance will be required.

NORTH BORNEO

Let us now cross the sea to British North Borneo and Brunei, a land of promise but needing enterprise and labour. Enterprise is handicapped by the chronic shortage of labour but it is difficult to believe that satisfactory means cannot be devised to unravel this problem while ensuring that proper safeguards are adopted. Enterprise is, however, certainly apparent in the activities of the British Malayan Petroleum Company whose development and expansion continues without check. Brunei State is reported to be considering a new Five Year Plan; this has not yet been published but the State's large surplus of revenue over expenditure should enable it in due course to make the territory a model to its neighbours. North Borneo's finances showed a surplus of ordinary revenue over expenditure of \$7 millions which was transferred to the account set up for reconstruction and development of the country. The latter account has a shortfall of \$8½ millions for the current year, to meet part of which consideration is being given to the flotation of a loan of £500,000. The terms of such a loan will need very careful watching if it is to be successful.

fully put on the market. The export trade figures were seriously affected by the fall in prices of rubber and copra and dropped by \$40 millions. This resulted in a small adverse balance of \$20 millions. Import figures were practically the same as in 1951. There has been no little dissatisfaction in North Borneo at the slow progress made in reconstruction which it was hoped would be fully completed by the end of 1951. Now the deadline has been fixed for the end of 1954 which should give ample time for this long overdue work to be completed. Our new office at Jesselton should be ready for occupation some time this autumn.

INDIA INTERESTS

Our interests in India being limited to Calcutta and Bombay are not extensive but they are important by reason of the link with India trade is maintained with our offices in other Eastern countries. Early in 1952, following a considerable amount of overtrading, a collapse of prices took place affecting many commodities, and markets were seriously depressed for some months. India has recently been called a "bastion of stability and peaceful endeavour". This is an apt phrase even if her political and economic stability has yet to be fully tested. But her "peaceful endeavour" can be observed not only in the political world but particularly in her new and ambitious "Five Year Plan" which has been widely applauded in spite of criticisms that the targets are too high and are not sufficiently precise. The emphasis on agriculture, transport and power development both in this plan, in the Colombo Plan and in the loans or grants received from the West, shows that India believes that this is the most important way of raising the standard of living of the people, which is the central objective of the plan. It is also interesting to note that in regard to proposed industrial development, first priority is wisely given to the fuller utilisation of the existing industries producing goods from local raw materials. It is interesting to hear further reports of famine in large areas of Bombay State, but fortunately prior to this the food situation had been better. An important Government Minister not long ago referred publicly to the subject of "Indianisation" in non-Indian firms and brought the matter forward in a moderate way and no doubt the principle will in the main be acceptable so long as adequate time is allowed for training, and the final proposals are reasonable and not discriminatory.

From India we naturally pass to Ceylon. The report of the World Bank Mission to Ceylon which was led by Sir Sydney Caine was published last autumn. It contained many important and useful proposals and a reference book regarding Ceylon's general economic position it will be of great value for a long time to come. Recommendations for a six year development programme were sketched in the report and the establishment of a Ceylon Development Corporation was proposed in which the Government, the Central Bank and the commercial banks are

(Continued on Page 9)

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TAIKOO GRANULATED SUGAR
in 5lb & 10lb bags

ALSO IN HANDY 1lb. ROLLS

TAIKOO SUGAR

General Agents: BUTTERFIELD & SWIRE
(Butterfield & Swire Hong Kong Ltd.)



"If you'll step over to our men's department, I'll be glad to show you what else I have in your size."

• BY • THE • WAY • by Beachcomber

THE customer is always crazy. The Puritan shirtmaker who advertises himself in Le Monde as "the only shirtmaker who has bitten a flea" is being overwhelmed with orders.

If there is an ironmonger who is doing badly, let him claim that he is the only ironmonger who has caught a flying flea in a butterfly net. For a hatter down on his luck I suggest: "The only hatter whose head is full of sand when a boy with measles pounces on a hat." And for a musician: "The only musician who has strangled the entire Oxford crew."

The Triumph of Suet (VIII)

"GUMPHREY," said Kettle, "that's the papers. Suet leaves about this time. He's a very nice fellow. What do you want?" That sentence was his down-fall. He was reported for uncivilized language. He was dismissed. For being a paid spy of the English and Americans, for treason to the workers. The judge appointed to try him said, "There is no case to try. He is already pronounced guilty by the people's suggestion that a vile Fascist, Capitalist, a tool of the English plutocrats (including Suet), a shrew, Kettle into his suit. Suet's room at the Hotel Cempus was ransacked again, the mattress was tipped up, the ceiling taken down, four ladders up, the walls knocked

down. But nothing was found. This did our Charlie Suet come to be regarded as the cleverest and most dangerous agent of world war, the all unconscious of his fame, worked at his report, and completed the paper he was to take to the Minister, Stogard, to conclude the negotiation.

Epitaph for a "marathon pianist"

He played for weeks without a pause. Until death proved the stronger. Oh, grudge him not hard-earned repose. Vita brevis, ars longa.

YOUR BIRTHDAY... By STELLA

FRIDAY, FEBRUARY 27

BORN today, you have an exceptionally vivid imagination, and this, combined with a real love for the creative and poetic, will lead you to a career which can outlive you. You might be interested in the stage and might even write for it or perform on it. You are a natural leader, especially in the realm of ideas and will show a new path in whatever you enter as your life work.

You are not one who can be tied down to a monotonous desk job and it would not be well for you to even try. If you find yourself thrust into work which is dull and boring, get out of it as soon as you can. Unless you can utilize your natural talents to exert your true individuality and initiative, you will never achieve the full height of your ambitions.

Although you might be supposed to have a lot of artistic temperament, this is not necessarily the

case. You are calm, poised and usually quite practical and clear-thinking. You have a desire to do everything you do with method and precision. For one who dislikes routine, you are capable of handling minute details with precision. But this is only true, if it is in connection with something which interests you deeply. You are particularly fond of your own novel ideas. The boredom comes when you are trying to follow the ideas or plans of another.

You have a magnetic personality and are very attractive to others. You have the opposite sex. Use care in the selection of a life partner as your marriage can be ideally happy one.

To find what the stars have in store for you, select your birthday star and read the corresponding paragraph. Let your birthday star be your daily guide.

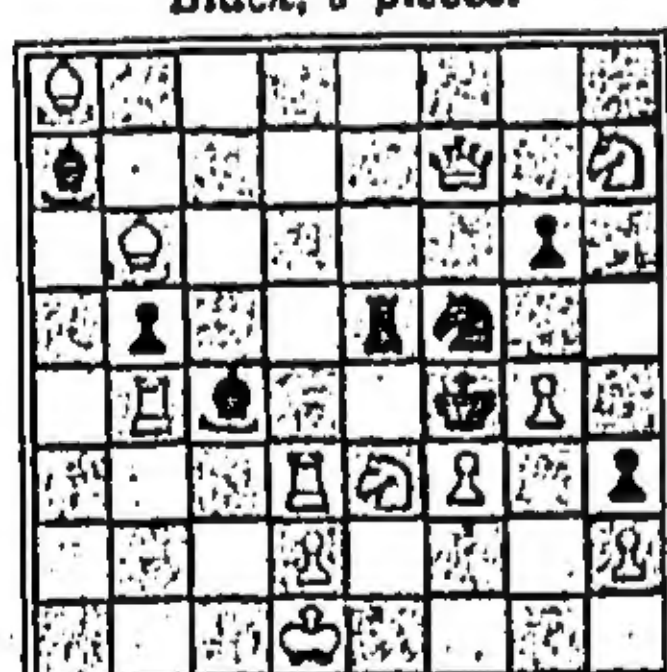
SATURDAY, FEBRUARY 28

PISCES (Feb. 20-Mar. 20): This is not the best day in the world to tackle a tough job. This is one time it may be better to postpone it.

ARIES (Mar. 21-Apr. 20): This is your day for making careful plans for your future objectives. Blue-print them carefully.

CHESS PROBLEM

By H. HERMANSON
Black, 8 pieces.



White, 12 pieces.
White to play; mate in two.
Solution to yesterday's problem:

1. P-B3 (=K1), any; 2. Q, B, Kt. (dis. ch. or dbl. ch.); or P mates.

DUMB-BELLS

COME SEE THE MOLE I'VE CAUGHT!
MY GRACIOUS LADY KNEW THAT MOLES WERE INFECTIOUS



© 1952 THE LADDER SYNDICATE

JACOBY ON BRIDGE

Know All Players To Be Bridge Winner

| | | | |
|------------------|------------|-------|--------|
| NORTH | | 5 | |
| ♠ K32 | | | |
| ♥ K6432 | | | |
| ♦ K2 | | | |
| ♣ AK6 | | | |
| WEST | EAST (D) | | |
| ♠ AQJ109765 | ♠ 8 | | |
| ♥ 5 | ♥ 10 | | |
| ♦ AQJ4 | ♦ 1087 | | |
| ♣ None | ♣ Q1098543 | | |
| SOUTH | | | |
| ♠ 4 | | | |
| ♥ AQ987 | | | |
| ♦ 9853 | | | |
| ♣ 772 | | | |
| Both sides vul. | | | |
| East | South | West | North |
| Pass | Pass | 2♠ | Pass |
| 2NT | Pass | 4♠ | Double |
| Pass | Pass | Redbl | Pass |
| Pass | 5♥ | Pass | Pass |
| Double | Pass | Pass | Pass |
| Opening lead—♠ A | | | |

By OSWALD JACOBY

WHOM do you believe in a pinch—your partner or the opponents? There is no surefire answer to this sort of question, of course. You must always take into consideration exactly who your partner is, and who the opponents are.

When today's hand was played, in a recent tournament, North's double of four spades sounded like the crack of doom. But you should have heard West's redoubtable, practically-jolted South out of his chair.

Maybe South was theoretically "wrong" to run out of the redoubled contract. He might easily have discovered that his partner could surely defeat four spades and that there was no possibility at all of making five hearts.

As it happened, however, South's mad dash to five hearts had a fortunate outcome for his side. Four spades was colder than a snacker, and the rescue saved the North-South bacon (if you don't mind a mixed grill).

West opened the ace of spades and continued with the queen of spades, thus giving South his only real problem in the play of the cards. South rose to the occasion by playing a low spade from dummy and ruffing in his own hand.

He couldn't afford to play dummy's king of spades, since East would have been happy to ruff this trick away.

South now drew two rounds of trumps and led a diamond towards dummy's king. West could take the ace of diamonds, but that was the last defensive trick. Dummy's king of diamonds and trumps could take care of the rest of South's diamonds, and South could discard his third club on dummy's good king of spades.

Just in case you're wondering, West is still kicking himself—out hard—for his redoubtable. He could have had a fine score for making four spades doubled, but he got no point at all for driving the opponents into a makeable contract of five hearts.

Q—The bidding has been: South 1♥, West 1♠, North 2♠, East 3♠. You, South, hold: Spades 8-2, Hearts A-K-Q-9-2, Diamonds A, Clubs A-3-2. What do you?

A—Bid three clubs. You have a count of 18 points in high cards, 2 points for the singleton, 1 point for the doubleton, and perhaps a point or so extra for the strength of the hearts. This is ample for a jump rebid in a new suit.

Even if your partner supports club—for his redoubtable. However, if your partner insists on a club contract you will be doing well to hear about his strong suit, and the hand may then be good enough for a slam.

TODAY'S QUESTION

The bidding is the same as in the question just answered. You, South, hold: Spades K-8-2, Hearts A-K-Q-9-2, Diamonds 7-5, Clubs A-3. What do you?

Answer Tomorrow

CROSSWORD

| | | | | | | | |
|----|----|----|----|----|----|---|----|
| 1 | 2 | 3 | | 4 | 5 | 6 | 7 |
| 8 | | | | 9 | | | |
| 10 | | | | | 11 | | 12 |
| 13 | | | 14 | | | | |
| 15 | 16 | 17 | | 18 | 19 | | |
| 20 | | | | | 21 | | |
| | 22 | | | | 23 | | |
| 24 | | | | | | | |
| 25 | | | 26 | | | | |

Across
1. Plant in a flower bed. (4)
2. The cat it turned into a room. (4)
3. A man who turns into something highly finished. (9)
4. A manuscript wrong. (4)
5. A man who writes ungrammatical. (6)
6. To make with feeling. (9)
7. Eye wash. (4)
8. Extract from the picture. (4)
9. Day doctor gets another job. (4)
10. Die in them like mobsters. (4)
11. The fairy from the pier. (4)
12. When to make. (4)
13. Henderson's layer. (3)
14. Impossible for the nudist? (4)
Down
1. Paces at the mail. (4)
2. With an artist it makes a king. (4)
3. A great irrigator. (4)
4. A man who returns to the legislature. (4)
5. Nothing wild in your mate. (4)
6. A man who starts to ramble. (4)
7. Is a one from wood? (4)
8. Second helping? (4)
9. Part of a mighty oak about? (4)
10. Finest single shot about? (4)
11. Found in the

BUTTERFIELD & SWIRE

(Incorporated in Hong Kong)

CHINA NAVIGATION CO., LTD.

| SAILINGS TO | | |
|-------------|--|-------------------|
| "FENGNING" | Singapore, Penang & Belawan | 5 p.m. 28th Feb. |
| "SZECHUEN" | Yokohama, Nagoya, Osaka & Kobe | 10 a.m. 2nd Mar. |
| "PAKHOT" | Yokohama, Nagoya & Kobe | 10 a.m. 3rd Mar. |
| "SHENGKING" | Keelung, Singapore & Penang | 3 p.m. 4th Mar. |
| "POYANG" | Singapore & Penang | 10 a.m. 8th Mar. |
| "HANYANG" | Bangkok | 10 a.m. 9th Mar. |
| "YCHOW" | Djakarta, Semarang, Sourabaya & Macassar | 10 a.m. 10th Mar. |
| "SHENGKING" | Keelung | 3 p.m. 11th Mar. |
| "HUNAN" | Tientsin | 10 a.m. 13th Mar. |
| "YUNNAN" | Shanghai | 10 a.m. 15th Mar. |
| "SOCHOW" | Yokohama, Nagoya, Osaka & Kobe | 10 a.m. 15th Mar. |

* Sails from Custodian Wharf

| ARRIVALS FROM | | |
|---------------|-----------|-----------------|
| "SZECHUEN" | Bangkok | Neon 27th Feb. |
| "SHENGKING" | Keelung | 7 a.m. 2nd Mar. |
| "PAKHOT" | Singapore | 2nd Mar. |
| "POYANG" | Sibu | 5th Mar. |
| "HANYANG" | Kobe | 7th Mar. |
| "FENGTING" | Singapore | 7th Mar. |
| "YCHOW" | Kobe | 8th Mar. |

A.O. LINE LTD./C.N. CO., LTD., JOINT SERVICE

| SAILINGS TO | | |
|-------------|--------------------|-----------|
| "TAIPEI" | Japan | 4th Mar. |
| "TAIYUAN" | Japan | 20th Mar. |
| "TAIPEI" | Sydney & Melbourne | 23rd Mar. |

| ARRIVALS FROM | | |
|---------------|--------------------|-----------|
| "TAIPEI" | Australia & Manila | 28th Feb. |
| "TAIYUAN" | Australia & Manila | 10th Mar. |
| "TAIPEI" | Japan | 21st Mar. |

BLUE FUNNEL LINE

| Scheduled Sailings to Europe via Aden & Port Said. | | |
|--|------------------------------------|-----------|
| "PELEUS" | Magellan, Liverpool & Glasgow | 6th Mar. |
| "MENTOR" | Liverpool & Glasgow | 14th Mar. |
| "ALCINOUS" | Liverpool & Dublin | 24th Mar. |
| "ANTHOCUS" | Genoa, London, Rotterdam & Hamburg | 27th Mar. |
| "PATROCLUS" | Marseilles, Liverpool & Glasgow | 8th Apr. |
| "AUTOLYCUS" | Liverpool & Glasgow | 14th Apr. |

Scheduled Sailings from Europe

| Sails | Arrives | Departs |
|----------------|-----------|-----------|
| G. "ALCINOUS" | Liverpool | 2nd Mar. |
| S. "ANTHOCUS" | do | 9th Mar. |
| G. "PATROCLUS" | do | 10th Mar. |
| S. "AUTOLYCUS" | do | 10th Mar. |
| G. "LAOMEDON" | do | 27th Mar. |
| S. "ANCHISES" | 3rd Mar. | 7th Apr. |
| G. "PERSEUS" | 8th Mar. | 13th Apr. |
| S. "ASTYANAX" | 10th Mar. | 22nd Apr. |

Loading Glasgow, before Liverpool, 8. Loading Swansea, before Liverpool, 8. Carriers' option to proceed via other ports to load & discharge cargo

DE LA RAMA LINES

ARRIVING FROM U.S. ATLANTIC & PACIFIC COAST PORTS.

| | |
|---------------|-----------|
| "ACAMENNON" | 2nd Mar. |
| "DONA AURORA" | 17th Mar. |

SAILING FOR KINGSTON, NEW YORK, via SAN FRANCISCO, LOS ANGELES & CRISTOBAL.

| | |
|-----------|-----------|
| "BENARES" | 5th Mar. |
| "HAINAN" | 20th Mar. |

Cathay Pacific Airways Ltd.

| Route | Departs Hongkong | Arrives H.K. |
|----------------------|--|----------------------|
| HK/Bangkok/Singapore | (DC-4) 7:30 a.m. Mon. Thurs. 6:45 a.m. Tues. Fri. (Comet) at Bangkok with U.A. to Hongkong | 6:45 a.m. Tues. Fri. |
| HK/Hanoi | (DC-3) 6:45 a.m. Tues. 4:45 p.m. Thurs. | 4:45 p.m. Thurs. |
| HK/Hongkong | (DC-3) 6:45 a.m. Thurs. 4:45 p.m. Thurs. | 4:45 p.m. Thurs. |
| HK/Singapore/H.K. | (DC-4) 7:15 a.m. Tues. Fri. 4:45 p.m. Wed. Sat. | 4:45 p.m. Wed. Sat. |

All the above subject to Alteration without notice.
For passage and Freight Particulars please apply to

W. R. LOXLEY & CO., (CHINA) LTD.
BRANCH OFFICE: 50, Connaught Rd. West, Tel: 25875, 32144, 24878

BEN LINE

ARRIVALS

| FROM | DUE |
|-------------|--|
| "BENCLEUCH" | U.K. via Singapore on or abt. 9th Mar. |
| "BENLEDI" | U.K. " 17th Mar. |
| "BENVANNOC" | U.K. " 23rd Mar. |
| "BENALDER" | Japan " 3rd Apr. |
| "BENLAVERS" | U.K. " 6th Apr. |
| "BENCLEUCH" | U.K. via Singapore " 9th Apr. |
| "BENARTY" | U.K. via Singapore " 10th Apr. |

SAILINGS

| Sails | Arrives | Departs |
|-------------|--|-----------|
| "BENCLEUCH" | Kure, Kobe & Yokohama | 12th Mar. |
| "BENLEDI" | Direct to Singapore, thence London, Antwerp and Hamburg | 13th Mar. |
| "BENVANNOC" | Avonmouth, London & Hull | 21st Mar. |
| "BENALDER" | Direct to Singapore, thence Liverpool, Glasgow, Rotterdam and Hull | 23rd Mar. |
| "BENLAVERS" | Direct to Singapore, thence Havre, London and Rotterdam | 7th Apr. |
| "BENCLEUCH" | Direct to Singapore, thence Genoa, Liverpool and Hamburg | 7th Apr. |
| "BENARTY" | Genoa, Liverpool, Glasgow and Rotterdam | 12th Apr. |

* Calls Manila, Taiwan and Sandakan.
† Calls Manila, Cebu, Taiwan and Sandakan
All vessels accept cargo for Aden, Suez and Port Said.
W. R. LOXLEY & CO., (CHINA) LTD.
York Building, Agents. Telephone: 34195.

CHINA MAIL

(Incorporated in Hong Kong)

HONGKONG

PUBLISHED DAILY (AFTERNOONS)
Price, 20 cents per copy. Saturdays 30 cents.
Subscription: \$5.00 per month.
Postage: China and Macao \$3.00 per month, U.K., British Possessions and other countries \$7.00 per month.
New contributions, always welcome, should be addressed to the Editor, business communications and advertisements to the Secretary.
Telephone: 25411 (3 Lines).
KOWLOON OFFICE: Salisbury Road, Telephone: 3263.

Classified Advertisements
20 WORDS \$4.00 for 1 DAY PREPAID
ADDITIONAL INSERTIONS \$1 PER DAY
10 cents PER WORD OVER 20
Births, Deaths, Marriages, Personal \$5.00 per insertion not exceeding 25 words, 25 cents each additional word.
ALTERNATE INSERTIONS 10% EXTRA
If not prepaid a booking fee of 50 cents is charged.

BIRTHS

GOSANO—To Hazel (nee Lang) wife of Dr. E. L. Gosano on February 27, 1953, at Kowloon Hospital, a daughter, Edwinna Jane.

WANTED KNOWN

PLEASE SEND any article you can spare or have no further use for, to be included in the Annual Rummage Sale to be held on behalf of The Hongkong Society for the Protection of Children, Address: 31, Cecil Street, Main Office, First Floor, Land Investment Company, Gloucester Building. Please send something.

NOTICE

Raj Bahadur G. V. Swalka, well known Industrialist and Business Manager of Calcutta, Managing Director of Swalka Oil Mills, Calcutta, is expected to be in Hongkong on 27th February. Firms interested in Linseed Oil, Castor Oil, Refined Groundnut Oil, Soap, Kapok and Shellac may kindly contact him at MIRAMAR HOTEL, KOWLOON.

GOLDEN CITY THEATRE LIMITED.

Notice of Extraordinary General Meeting of Shareholders

NOTICE is hereby given that an Extraordinary General Meeting of Shareholders of the Company will be held at the registered office of the Company situated at GOLDEN CITY THEATRE BUILDING, Nos. 77/78 Gloucester Road, Victoria in the Colony of Hong Kong on Thursday the 19th day of March 1953 at 11:00 o'clock in the forenoon when the subjoined resolutions will be proposed as Special Resolutions:—

1. That the Shareholders do confirm the Agreement for Sale and Purchase dated the 17th day of February 1953 entered into by the Company as the Vendor of the one part and Chan Chung Shing as the Purchaser of the other part and hold themselves bound by each and every term therein contained.
2. That to carry out the terms of the aforementioned Agreement for Sale and Purchase, the Shareholders do authorize any two of the Permanent Directors and the Chairman of the Board of Directors to execute on behalf of the Company the necessary Deed of Assignment and for such purpose to affix the Common Seal of the Company and sign their signatures thereon.

Copies of the said Agreement for Sale and Purchase have been lodged with the Company's Solicitors, Messrs. Lau, Chan and Ko of Prince's Building, Ice House Street, Victoria aforesaid and the same may be inspected at any time during office hours.

Dated the 26th day of February, 1953.
(Sd.) Bertram But Yerk Chiu, Chairman of the Board of Directors.

NOTICE

ST. PATRICK'S SOCIETY OF HONG KONG

Annual Dinner and Dance
The Society's Annual Dinner and Dance will be held in the Peninsula Hotel on St. Patrick's Eve, Monday, 16th March, 1953.

A circular giving full details has been sent to members, but in the event of non-delivery, members are requested to apply to the Hon. Secretary, for further copies.

Early application for invitations should be made as numbers will strictly be limited. All application must reach the Hon. Secretary before the 10th March, 1953.

All Irishmen and women and persons of Irish Association not yet members are cordially invited to join the Society. Membership application forms may be obtained from the Hon. Secretary.

M. P. KEYES,
Hon. Secretary,
P. O. Box 615.

NOTICE

The Annual Meeting of subscribers to the United Israel Appeal will take place at the Jewish Recreation Club on Wednesday the 4th March at 6.00 p.m.

NOTICE TO CONSIGNEES

"S.S. 'MENTOR'"

Damaged cargo on this vessel will be surveyed by Messrs. Goddard & Douglas at 10 a.m. on Monday, 2nd March, 1953, and consignees are requested to have their representatives present during the survey.

BUTTERFIELD & SWIRE, Agents.
Hongkong, February 26, 1953.

NOTICE TO CONSIGNEES

Consignees per HANSEN-WILHELMSEN LINE

m.s. "TALLEYRAND"
are hereby notified that their cargo is being discharged into the Hongkong & Kowloon Wharf & Godown Co's godowns where it will be at consignees risk and subject to the Wharf's terms and conditions of storage, and where delivery may be obtained.

Damaged packages are to be left in the godowns for examination by Consignees and the Company's surveyors Messrs. Goddard & Douglas at 10 a.m. on the 27th February, 1953.

To comply with the General Bonded Warehouse Regulations consignees must have a Revenue Officer in attendance when damaged dutiable goods are examined.

No claims will be admitted after the goods have left the steamer's godown, and all goods remaining undelivered after the 28th February, 1953, will be subject to rent.

All claims against the steamer must be presented to the undersigned on or before the 7th March, 1953, or they will not be recognized.

No Fire Insurance will be effected.
DOWELL & CO., LTD., Agents.
Hongkong, 22nd February, 1953.

NOTICE TO CONSIGNEES

CIE DES MESSAGERIES MARITIMES

Consignees per Company's m.v. "LA MARSEILLAISE"

are hereby notified that their cargo is being discharged into the Hongkong & Kowloon Wharf & Godown Co's godowns, where it will be at consignees risk and subject to the Wharf's terms and conditions of storage and where delivery may be obtained as soon as the goods are landed.

Damaged packages are to be left in the godowns for examination by Consignees and the Company's surveyors Messrs. Goddard & Douglas at 10 a.m. on Monday, 2nd March, 1953.

To comply with the General Bonded Warehouse Regulations consignees must have a Revenue Officer in attendance when damaged dutiable goods are examined.

No claims will be admitted after the goods have left the steamer's godown, and all goods remaining undelivered after 3rd March, 1953, will be subject to rent.

All claims against the steamer must be presented to the undersigned on or before 23rd March, 1953, or they will not be recognized.

No Fire Insurance will be effected.
CIE DES MESSAGERIES MARITIMES
Hongkong, 25th February, 1953.

(More Notices in Column 8)

P&O B.I.E&A COMPANIES

PENINSULAR & ORIENTAL S.N. CO.

PASSENGER/FREIGHT SERVICE

| Outwards | Leaves London | Due Hongkong |
|------------|---------------|--------------|
| "CANTON" | 5th February | 9th March |
| "CARTHAGE" | 8th February | 2nd April |
| "CORFU" | 1st April | 4th May |
| "CANTON" | 30th April | 1st June |

via Southampton, Port Said, Aden, Bombay, Colombo, Penang & Singapore

| Homewards | Leaves Hongkong | Due London |
|------------|-----------------|------------|
| "CANTON" | 13th March | 13th April |
| "CARTHAGE" | 13th April | 6th May |
| "CORFU" | 8th May | 6th June |
| "CANTON" | 5th June | 6th July |

Accepting cargo for Singapore, Penang, Colombo, Bombay, Aden, Port Said & London

FREIGHT SERVICE

| Outwards from UK | Due | For |
|------------------|------------|--|
| "SOUDAN" | 17th March | Japan |
| Homewards | Sails | For |
| "SURAT" | 11th March | Singapore, Penang, Port Swettenham, Colombo, Aden, Port Said, Genoa, Marseilles, Havre, London, Antwerp, Rotterdam & Hamburg |

With liberty to call at Belawan before or after Straits Ports and at Bombay if inducement offers.

Tanks available for carriage of Oil in Bulk. Space for refrigerated cargo. Limited Passenger accommodation.

BRITISH INDIA S.N. CO., LTD.

| | | |
|-------------|-----------------|--------------------------------------|
| "WARLA" | due 1st Mar. | from Japan |
| | sails 2nd Mar. | for Singapore, Hongkong & Chittagong |
| "SANGOLA" | due 4th Mar. | from Japan |
| | sails 6th Mar. | for Straits, Hongkong & Calcutta |
| "SIRDILANA" | due 10th Mar. | from Calcutta, Hongkong & Straits |
| | sails 11th Mar. | for Japan |

P. & O. B. I. JOINT SERVICE

| | | |
|----------|-----------------|---|
| "OZARDA" | due 1st Mar. | from P. Gulf, Karachi, Bombay, Colombo & Singapore |
| | sails 2nd Mar. | for Japan |
| "OLINDA" | due 11th Mar. | from Japan |
| | sails 13th Mar. | for Singapore, Hongkong, Penang, Kuching, Khorramshahr, Basrah & P. Gulf Ports via Bombay |

EASTERN & AUSTRALIAN S.S. CO., LTD.

| | | |
|-----------|-----------------|----------------------------------|
| "NELLORE" | sails 10th Mar. | for Sydney, Melbourne & Adelaide |
|-----------|-----------------|----------------------------------|

All vessels have liberty to call at any ports on or off the route & the route & sailing are subject to change or amendment with or without notice.

For full particulars apply to:
MACKINNON, MACKENZIE & CO.
OF HONG KONG LTD.
Telephone Nos. 27721-4

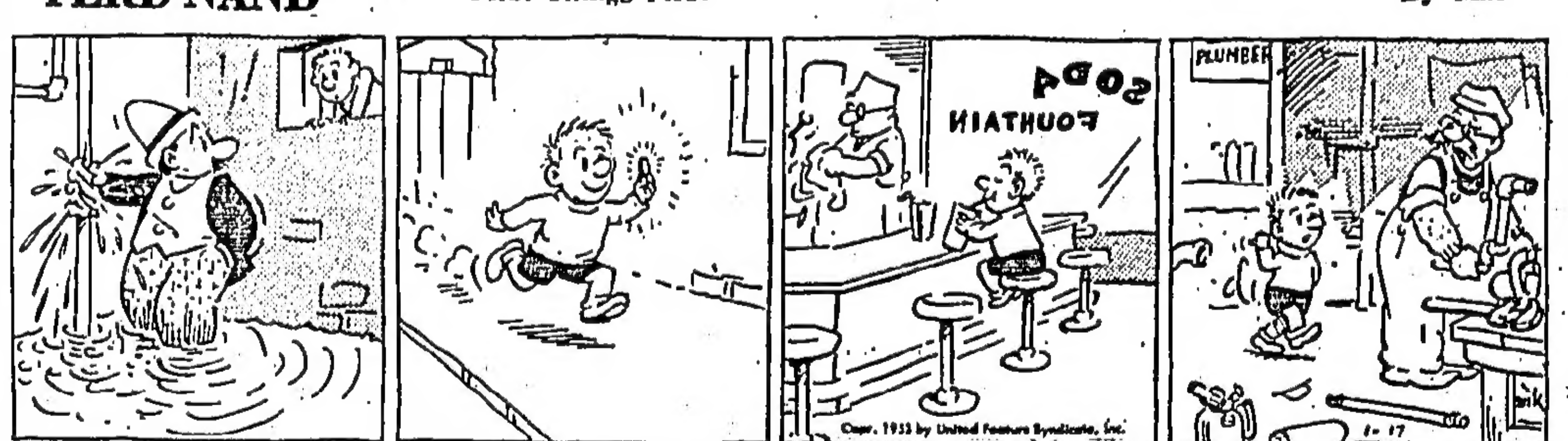
MANDRAKE THE MAGICIAN

By Lee Falk and Phil Davis



FERD'NAND

First Things First



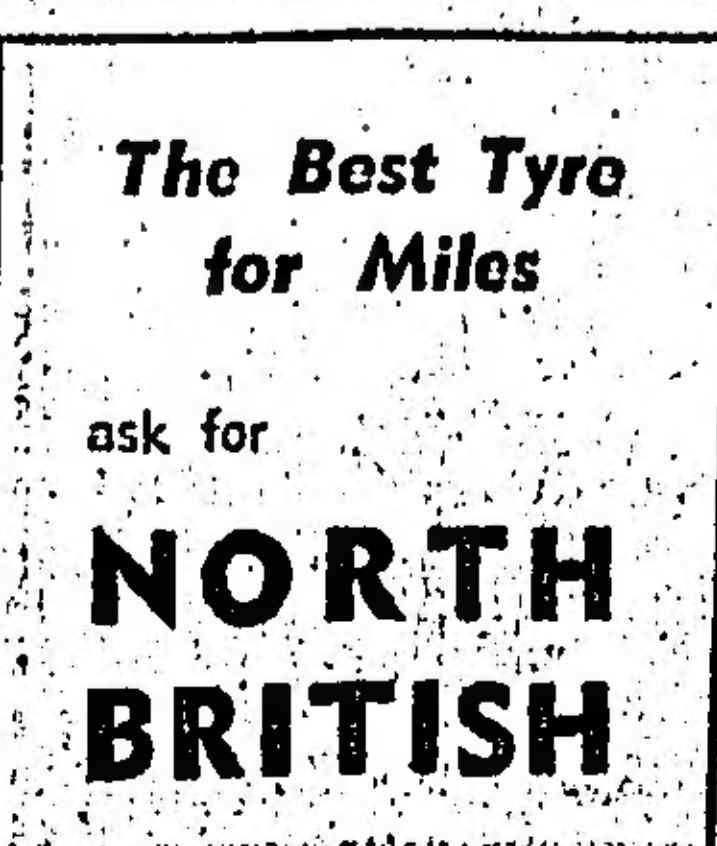
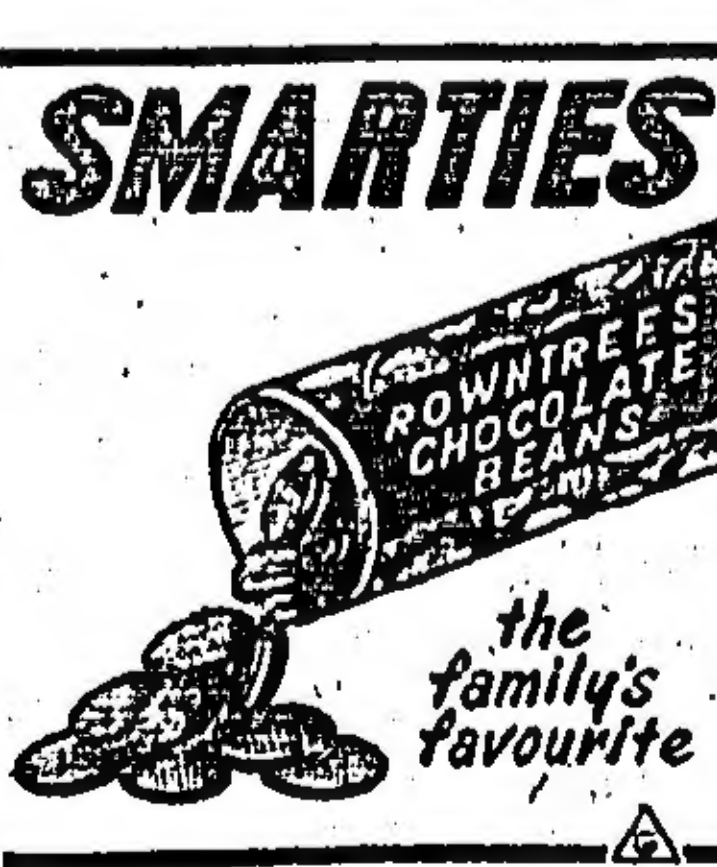
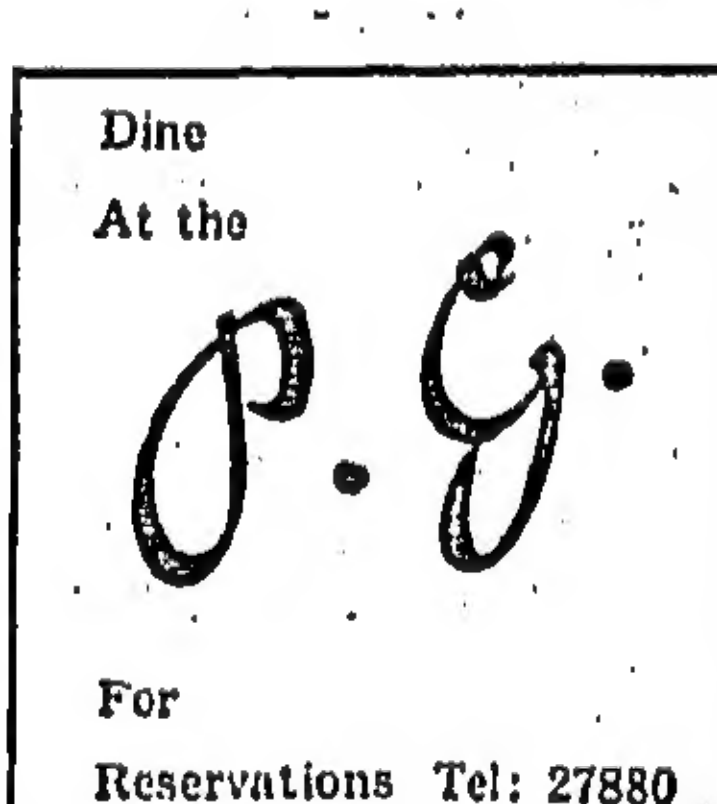
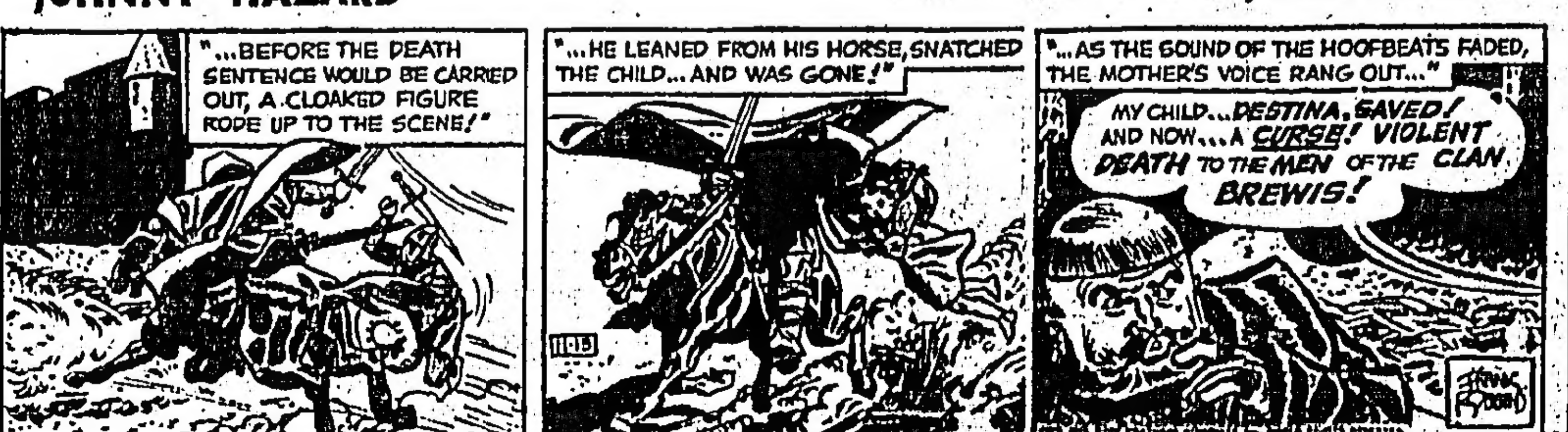
NANCY

"Tide" Up Today



JOHNNY HAZARD

By Frank Robbins



NOTICE TO CONSIGNEES

MARSK LINE

m/v "PETER MARISK"

having arrived from New York and Ports of call, Consignees of cargo are hereby notified that their goods are being landed and placed at their risk and expense, into the Hongkong & Kowloon Wharf & Godown Co's godowns at Kowloon, where delivery may be obtained as soon as the goods are landed.

Optional cargo will not be landed here, unless notice has been given 48 hours prior to vessel's arrival, but carried on from port to port to the final port of call to which the option extends.

No claims will be admitted after the Goods have left the Godowns, and all goods remaining undelivered after the 6th March, 1953, will be subject to rent.

All broken, chafed, and damaged Goods are to be left in the Godowns, where they will be examined on 10th March, 1953, at 10 a.m. by our Surveyors Messrs. Goddard & Douglas.

To comply with the General Bonded Warehouse Regulations consignees must have a Revenue Officer in attendance when damaged dutiable goods are examined.

All claims must reach us before the 27th March, 1953, or they will not be recognized.

No Insurance will be effected.

JENSEN & CO. Agents.
Hongkong, 27th February, 1953.

To ADVERTISERS

SUNDAY POST-HERALD
Space for commercial advertising should be booked not later than noon on Wednesday.

For the SOUTH CHINA MORNING POST and the CHINA MAIL, 48 hours before date of publication.
Special Announcements and Classified Advertisements as usual.

MESSAGERIES MARITIMES



PASSENGERS/FREIGHT SERVICE

| Outwards | Leaves | Due | For |
|------------------|---------|------------|---------------|
| "FELIX ROUSSEL" | 20 Mar. | 20-22 Apr. | Manila |
| "LA MAURELLAISE" | 22 Apr. | 22 Apr. | Via Hong Kong |
| "FELIX ROUSSEL" | 22 Apr. | 22 Apr. | Haiphong |

Via Marseilles to all Mediterranean & West Africa ports. via Djibouti to Madagascar.

FREIGHT SERVICE

| Outwards | Leaves | Due | For |
|------------------|---------|------------|---------------|
| "MEINAM" | 20 Mar. | 20-22 Apr. | Japan |
| "FELIX ROUSSEL" | 22 Apr. | 22 Apr. | Manila |
| "LA MAURELLAISE" | 22 Apr. | 22 Apr. | Via Hong Kong |
| "FELIX ROUSSEL" | 22 Apr. | 22 Apr. | Haiphong |

† Saigon, Marseilles, Algiers, Tangiers, Casablanca, Le Havre, Antwerp, Rotterdam & Dunkirk.

CIÉ DES MESSAGERIES MARITIMES

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Queen's Building (Gr. Floor) Tel. 26651 (3 lines).

EVERETT LINES

EVERETT ORIENT LINE

Fast regular freight—refrigerator—passenger service to Korea, Japan, Philippines, Indo-China, Siam, Malaya, Rangoon, Calcutta and Chittagong.

"REBEVERETT"

| | | |
|---------|--------|--|
| Arrives | Mar. 2 | from Manila. |
| Sails | Mar. 3 | for Singapore, Penang, Rangoon & Calcutta. |

"LENEVERETT"

| | | |
|---------|--------|----------------------|
| Arrives | Mar. 8 | from Singapore. |
| Sails | Mar. 9 | for Kobe & Yokohama. |

(Accepting cargo for transshipment) Kobe/Pusan and Kobe/Okinawa)

EVERETT STAR LINE

Fast regular freight—refrigerator—passenger service to Korea, Japan, Philippines, Indo-China, Siam, Malaya, Colombo, Bombay, Karachi and Persian Gulf Ports.

"NORDSTJERNAN"

| | | |
|---------|--------|---|
| Arrives | Mar. 4 | from Japan. |
| Sails | Mar. 5 | for Singapore, Port Swettenham, Madras, Colombo, Bombay, Karachi, Kharun-shahr, Basrah & Bahrain. |

"THAI"

| | | |
|---------|--------|----------------------|
| Arrives | Mar. 7 | from Singapore. |
| Sails | Mar. 8 | for Kobe & Yokohama. |

(Accepting cargo for transshipment) Kobe/Pusan and Kobe/Okinawa)

EVERETT STEAMSHIP CORPORATION S/A

Queen's Building, Telephone 31205.

Chinese Department: Telephone 28293.

The Rubber Markets

Singapore, Feb. 26.
Prices of rubber futures closed today as follows:
Number 1 rubber, per lb. 70 1/2-71 1/2
April 70 1/2-71 1/2
May 70 1/2-71 1/2
Number 2 rubber, March 70 1/2-71 1/2
Number 3 rubber, March 70 1/2-71 1/2
Spot rubber, unbleached 70 1/2-71 1/2
Bale rubber, unbleached 70 1/2-71 1/2
No. 1 pale crepe 70 1/2-71 1/2
—United Press.

NEW YORK MARKET

New York, Feb. 26.
Prices of No. 1 rubber futures closed today 50 higher to 5 lower with sales totalling 42 contracts. Dealers covering in nearby deliveries dominated the futures trading. The spot market was dull and quiet. Prices closed as follows:
March 28.50 asked
May 27.50
July 27.50
September 27.50
December 27.50 nominal
March 27.50 nominal
—United Press.

LONDON MARKET

London, Feb. 26.
Prices of rubber futures closed today as follows:
Number 1 rubber, in Pence per lb. 23 1/2-24 1/2
April 23 1/2-24 1/2
May 23 1/2-24 1/2
June 23 1/2-24 1/2
July 23 1/2-24 1/2
August 23 1/2-24 1/2
September 23 1/2-24 1/2
October 23 1/2-24 1/2
November 23 1/2-24 1/2
December 23 1/2-24 1/2
—United Press.

CHRYSLER AND AUSTRALIA

Melbourne, Feb. 26.
The President of the American Chrysler Motors Export Corporation, Mr. C. B. Thomas, announced here today that his company would double its present investment in Australia to \$10,000,000.
Before returning to the United States by air, he said that his company considered the production of an all-Australian car impracticable but was producing an all-British lorry there. —Reuter.

HONGKONG SHARE MARKET

(From Our Correspondent)

Business done on the Stock Exchange this morning amounted to \$400,000.70. Noon quotations and the morning's transactions:

SHARES BUYERS SELLERS SALES

| | |
|------------------|-----|
| HK Bank Ltd 1200 | 140 |
| East Asia 140 | |

INSURANCES

| | |
|--------------------|-----|
| Union 700 | 705 |
| Underwriters 5 1/2 | |

SHIPPING

| | |
|-------------------|--------|
| Waterfront 13 1/2 | 14 1/2 |
| Asia 1 1/2 | 1 1/2 |

DOCKS, ETC.

| | |
|-------------------|--------|
| K. Wharf 8 1/2 | 8 1/2 |
| N. P. Wharf 6 1/2 | 6 1/2 |
| Provident 12 1/2 | 12 1/2 |
| Wheelock 7 1/2 | 7 1/2 |

LAND, ETC.

| | |
|-------------------|--------|
| HK Hotel 7 1/2 | 7 1/2 |
| HK Land (O) 5 1/2 | 5 1/2 |
| HK Land (N) 5 1/2 | 5 1/2 |
| Shui Land 1 1/2 | 1 1/2 |
| Humphreys 13 1/2 | 13 1/2 |

UTILITIES

| | |
|---------------------|--------|
| HK Electric 2 1/2 | 2 1/2 |
| Star Ferry 1 1/2 | 1 1/2 |
| C. Light (O) 9 1/2 | 9 1/2 |
| C. Light (N) 9 1/2 | 9 1/2 |
| Electric 2 1/2 | 2 1/2 |
| Telephone 17 1/2 | 17 1/2 |
| Industrials 15 1/2 | 15 1/2 |
| Consent 10 1/2 | 10 1/2 |
| Stores, ETC. 10 1/2 | 10 1/2 |
| Dairy 7 1/2 | 7 1/2 |
| Watson 23 1/2 | 23 1/2 |
| L. Crawford 20 1/2 | 20 1/2 |
| COTTONS 2 1/2 | 2 1/2 |
| MISCELLANEOUS | |
| Yanzuo 5 1/2 | 5 1/2 |

Exchange Rates

Business was done in the local unofficial exchange market this morning at the following rates:
Sterling note (per £1) 100.00
Sterling dollar (per 100) 100.00
Singapore dollar (per 100) 100.00
Singapore dollar (per 100) 100.00
—United Press.

Tribute To Sir Arthur Morse At Meeting

(Continued from Page 4)

expected to participate jointly. Owing to the large deficit with which the Government is at present being threatened it is to be feared that there will be delay in implementing these recommendations. The lower prices of tea and rubber have been largely responsible for leaving a surplus of its millions into an adverse trade balance of Rs. 205 millions comparing the years 1951 with 1952. Considerable dissatisfaction is felt in foreign business circles at the way in which the various measures of Ceylonisation are being imposed, some of which seem to indicate unjustifiable discrimination on the part of certain Government departments.

THAILAND

Thailand has had a quiet year in the political sphere in spite of rumours of discontent. In commercial and banking circles there has been some dissatisfaction and confusion in regard to the policy of the Government. For instance the appreciation of the Thai against sterling by lowering the import rate a year ago had a bad effect on the export market and the increase in rice prices, while rubber prices have fallen, has seriously affected the livelihood of workers on the plantations in South Thailand.

Fears of a considerable reduction in rice available for export in 1952 proved unfounded as shipments were only about 120,000 tons less than in 1951, which was a record year, while 200,000 tons are estimated to be carried in stocks. Hopes of greater rice production are attached to the important Chaiyad Dam barrage scheme which is proceeding steadily and will eventually irrigate a large area of land suitable for cultivation. This is one of the ambitious public works now proceeding—some have been newly started and some are in continuation of work commenced in the last few years, such as the Bangkok Port scheme, a hydro-electric plant project, the provision of new railway equipment and extensive highway construction. These developments are being financed partly under the United States Mutual Security Agency programme and partly by the World Bank.

BURMA

As regards Burma, although there is some disappointment at the slow rate of the restoration of internal security and of economic advancement, progress has nevertheless been made and considering all the difficulties it would be a mistake to expect more rapid improvement.

One noteworthy feature has been the assumption of office of the first popularly elected Government under Prime Minister U. Nu. A new President, Dr. Ba U, a distinguished former Chief Justice, has also taken office.

A further important event was the passing of the Union Bank of Burma Act at the first session of the new Parliament. This Act took effect on July 1st when the Union Bank became in effect a Central Bank. The Burma Currency Board has been absorbed and finally closed its doors on December 31st last. The Burma rupee is now termed a Kyat which is divided into smaller units under the decimal system. Although the Kyat no longer has a fixed statutory value in terms of sterling, the parities of the previously established exchange rates were maintained without change. A feature of the financial position is the increasingly large deposits in the Union Bank on Government account. Although the note circulation and commercial banks' deposits have changed little, Government deposits are now nearly 45% of the total supply of currency. The useful employment of these idle deposits would considerably assist the economic recovery of the country.

The Government has an eight year programme for large scale development of the country and American technical assistance has been obtained to make detailed investigations as to how best to proceed. The possible establishment of a hydro electric plant, the development of the Kalewa Coal Mines and other mining projects are amongst the plans under consideration. Meantime the work on the rehabilitation of the sea ports, especially Rangoon, is proceeding rapidly with technical advice and financial support from United States sources.

INDO-CHINA

It is difficult to decide what line to take about the political and economic situation in Indo-China. There are many gloomy prophecies and yet a considerable amount of quiet optimism prevails in knowledgeable circles. The pessimists see no end in sight to the civil war and have no confidence in the regime to which the French have given so much responsibility. On the other hand the optimists claim that there is a strong and growing Vietnam army helped

with American materials, which is gaining prestige and spirit, while the new Prime Minister has shown himself to be an able and energetic administrator. Furthermore the economic situation is in some respects hopeful, some of the richest districts in the country including the important plantation areas are held and administered by the autonomous governments of the Associated States; the new rice crop is promising and rubber production is satisfactory, while cost output is expected to increase. The strategic importance of Indo-China is widely regarded as of the first importance in East Asia to the democratic camp, and since this is so, we are unlikely to see any deterioration, but rather we have grounds for hoping that the optimists will be right.

INDONESIA

Indonesia is another country regarding which it is not easy to sum up the political and economic situation in a few words. There are many ups and downs, shades and colours, in the scene. The fall in the price of rubber and other agricultural products of the country in conjunction with adverse internal factors has made the financial situation of the Government a very uneasy one. I foresee many difficulties for Indonesia before the country gets on to a steady basis. The problem is one of production and of taking full advantage of the wealth resources of the country. A number of agricultural and other commodities are still being produced in quantities well below pre-war standards. Rice, sugar and coal particularly come to mind. However the character and quality of some of the highest officials in the country is a good omen for the future if they can overcome the many difficulties which surround them. I was, for instance, much impressed with speeches made at the 125th anniversary of the Javanese Bank. If the wisdom and foresight expressed on that occasion can be carried forward to the new Bank Indonesia which is about to replace the Javanese Bank, the outlook for the financial future of Indonesia will be more promising.

PHILIPPINES

It is satisfactory that in the Philippines there has been more success in the past year in dealing with the Hukbansap insurgents. There is some disappointment at the slow rate of the restoration of internal security and of economic advancement, progress has nevertheless been made and considering all the difficulties it would be a mistake to expect more rapid improvement.

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OBVIOUS NEED

Japan's need for the China market is of course obvious, and the reverse applies to China, but under present political conditions Japan is likely to continue to restrict shipments of many types of goods and the opening of other markets is of the utmost importance. I am glad to say that our new building at Osaka is proceeding rapidly and we hope to be in occupation before the autumn. Many of you are aware that I am handling over the reins in a few days' time and that this is the last occasion on which I shall preside at one of our Annual Meetings. I joined our London Office exactly forty-one years ago today. After such a long period, including thirty-one years in the East, however, much one may look forward to an easier time free from the hurly-burly of daily banking, inevitably one gets a sense of nostalgia and of real sadness at breaking away from many old associations and leaving many old friends.

It is tempting, as one looks back, to start to make a catalogue of the changes which have taken place since the days when I first landed in Hongkong in 1912, but I must resist the temptation as this is not the right occasion for reminiscences, but I will just say that the most notable transformation that has taken place in the territories where we operate has been here in Hongkong, and I feel sure that some of our distinguished Chinese friends who can look back as far as I can, or even further, will agree. The credit for Hongkong's progressiveness must go to the main to a succession of far-sighted Governors including very notably our present Governor, Sir Alexander Grantham. It is perhaps the Bank can claim a little credit for some of Hongkong's commercial progress. I could say much about many of my predecessors but my recollections are particularly vivid and poignant about Sir Vandeleur Grayburn, whose death in 1943 while he was in the hands of the Japanese, came as such a severe shock to all connected with the Bank and with Hongkong.

TRIBUTE TO STAFF

It was on December 15th 1941, just before the fall of Hongkong, that I was called upon to serve as Acting Chief Manager in London and it is with real gratitude that I think of the assistance I received in the war years from many departments of His Majesty's Government and especially from the Colonial Office and the Bank of England. I also gratefully recall the forbearance of the shareholders of the Bank in those dark days when it was impossible to see far ahead and hazardous to plan for the future. I trust that they have not been disappointed with the post-war results which have been effected in a period when at first the outlook was quite obscure, and more recently again, perplexing, but not unpromising. All this time I have been conscious of the Staff of the Bank to whom I must pay due tribute, from managers down to the most junior local employee. My long experience encourages me to assert that there are few banks or commercial concerns in the East or anywhere else which can have had such loyalty and support from their staff. Way-forging has always guided itself on the staff well, and they have responded in a way which calls for the thanks of all shareholders.

I have no hesitation whatsoever in commending to you my successor as Chief Manager, Mr. M. W. Turner, who is already making his mark in Hongkong in the last few years. I am confident that he will serve the Bank well.

SECONDER'S SPEECH

The Hon. Sir Mon Lo, C.B.E. in responding, said: "On my return to Hongkong nearly 40 years ago, my late father spoke to me about The Hongkong and Shanghai Bank. What he said to me has remained vividly in my memory ever since, and the wisdom of his remarks has been proved time and again by my personal knowledge. What he said was this: 'When you have occasion to have a banking account, go to The Hongkong and Shanghai Bank. From the customer's point of

view, in time of good trade and prosperity there is no practical difference between one bank and another. But if and when depression sets in and the value of securities drops, then the difference becomes only too painfully evident between a bank which is genuinely solicitous of its customers' interests, takes into account the prevailing unfavourable economic situation and gives time to its customers, and another bank which, without consideration or remorse, simply sells out the security hypothequed to recoup its advances. In my long experience I have always found that The Hongkong and Shanghai Bank plays fair by you if you play fair by the Bank.'

Such was the reputation of the Bank more than a generation ago and this reputation of fair dealing with its customers has been proudly maintained since.

I need scarcely say that I promptly acted in accordance with my father's admonition.

UNDISPUTED POSITION

Since those early days, I have either listened to or read in the press the next day the addresses delivered annually at the Annual General Meeting of shareholders of this Bank. The Chairman's speech has always been hailed as an important pronouncement of the year, not only locally, but internationally. This is not surprising because, as the Bank occupies such a commanding and undisputed position in the Far East which has become such a focal point in international affairs, its Chairman's annual review of its activities in retrospect, and his appreciation and prognosis of the business and economic situation in the immediate future of the various areas covered by the Bank's activities, necessarily compel worldwide attention. It can with truth be said that our annual gathering is more than a mere General Meeting of the shareholders of the Bank. It has grown into an institution of international importance.

I claim no originality in my remarks; indeed they have been the theme of many a seconder who has preceded me. And another recurring theme of seconds has of course been the continuous and steady progress of our Bank which has grown in stature and strength with the years, and the vital contribution which it has made towards the welfare and prosperity of the Colony.

APPRECIATION

If I may say so, the speech to which we have just listened is in accordance with the high tradition of the Chairman's annual speech both as a masterly review of world events and world tendencies from the point of view of business and commerce, and as a sober statement of the Bank's progress. To say more than this would be superfluous. I therefore content myself with expressing, on behalf of all the shareholders, our appreciation of the good work of the Chief Manager, the Board of Directors and the Staff for another year's excellent result achieved.

I feel sure they would like to associate themselves with your tributes to our Governor Sir Alexander Grantham and the high officers of Government mentioned by you. If I may say so, Sir, your confident commendation of Mr. M. W. Turner as your successor is no surprise to the shareholders. He has impressed all those who have been privileged to come into contact with him with his outstanding ability and his courtesy and charm. We extend to him our good wishes in the discharge of the heavy and responsible task which lies before him.

Anyone who is privileged to second the principal resolution from the Chair at an Annual General Meeting of this Bank cannot but feel a sense of honour and pleasure. Today, I am indeed conscious of the honour, but the pleasure I would normally feel is marred by one sad circumstance. I refer of course to the impending departure on retirement of Sir Arthur and the fact that this is the last occasion on which he addresses us as Chairman.

SIR ARTHUR'S SERVICE

This is not the occasion, and I have certainly not the right, to attempt, with however a brevity, to relate the manifold and outstanding public services which Sir Arthur has performed to the Colony. There have been in the past great and even legendary Chief Managers of the Bank such as Sir Thomas Jackson who in the years 1876-1902 established the high reputation of the Bank in the East. But I venture to think that there has been no previous Chief Manager who has had to direct and guide—with such conspicuous success—the Bank's affairs during such an important and difficult period as that which coincided with Sir Arthur's term of office. Indeed it was Sir Arthur who re-established the Bank's position after it had suffered severely

ROYAL INTEROCEAN LINES

SAILINGS

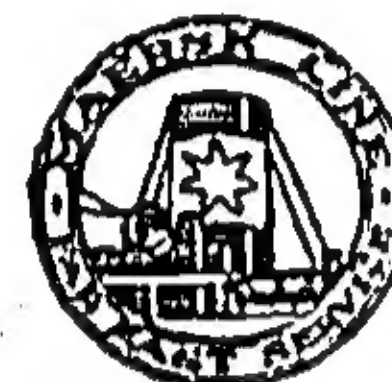
| To | Sailings |
|--|------------------------|
| Singapore, Djakarta, Semarang. | "TJIWANGI" Mar. 1 |
| Singapore, Surabaya & Macassar. | "STRAAT BOENDA" Mar. 5 |
| Yokohama, Yokohama & Kobe | "TJIWANGI" Mar. 9 |
| Djakarta, Semarang, Surabaya & Macassar | "TASMAN" Mar. 13 |
| Singapore, Penang, Melawan Dell & Mauritius | "TJIWANGI" Mar. 17 |
| Singapore, Djakarta, Semarang. | "TJIWANGI" Mar. 21 |
| Singapore, Surabaya & Macassar | "TJIWANGI" Mar. 25 |
| Manila, Niri, Singapore, Djakarta, Surabaya & Macassar | "TJIWANGI" Mar. 29 |
| Djakarta, Semarang, Surabaya & Macassar | "TJIWANGI" Apr. 2 |
| Singapore, Djakarta, Semarang. | "TJIWANGI" Apr. 6 |
| Manila, Singapore, R. & S. Africa | "TJIWANGI" Apr. 10 |
| Djakarta, Semarang, Surabaya & Macassar | "TJIWANGI" Apr. 14 |
| Singapore, Djakarta, Semarang. | "TJIWANGI" Apr. 18 |
| Singapore, Surabaya & Macassar | "TJIWANGI" Apr. 22 |
| Singapore, R. Africa & S. America | "TJIWANGI" Apr. 26 |
| Djakarta, Semarang, Surabaya & Macassar | "TJIWANGI" Apr. 30 |
| Japan | "TJIWANGI" May 4 |
| Singapore, Djakarta, Semarang. | "TJIWANGI" May 8 |
| Singapore, Surabaya & Macassar | "TJIWANGI" May 12 |
| Manila, Singapore, R. & S. Africa | "TJIWANGI" May 16 |
| Djakarta, Semarang, Surabaya & Macassar | "TJIWANGI" May 20 |
| Singapore, Djakarta, Semarang. | "TJIWANGI" May 24 |
| Singapore, Surabaya & Macassar | "TJIWANGI" May 28 |

ARRIVALS

| From | Arrivals |
|---------------------------------------|------------------------|
| Manila, Singapore, R. & S. Africa | "TJIWANGI" Mar. 3 |
| S. & E. Africa, Mauritius & Singapore | "STRAAT BOENDA" Mar. 7 |
| Japan | "TJIWANGI" Mar. 11 |

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NEXT SAILINGS

| | |
|------------------------|---------|
| M.S. "TREIN MAERSK" | Mar. 6 |
| M.S. "NICOLINE MAERSK" | Mar. 20 |
| M.S. "ANNA MAERSK" | Apr. 2 |

ARRIVALS FROM U.S.A.

| | |
|---------------------|------------------|
| M.S. "PETER MAERSK" | In Port Buoy A-2 |
| M.S. "ANNA MAERSK" | Mar. 5 |
| M.S. "LEXA MAERSK" | Mar. 22 |

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Smallholders' Plight

London, Feb. 26.
Mr. Oliver Lyttelton, Colonial Secretary, was asked if he was aware that the production of rubber from small holdings in Malaya dropped in 1952 by 30,000 tons compared with 1951. He was also asked what steps were being taken to encourage smallholders to cultivate rubber.

Mr. N. T. Awbery (Labour) said that the fall in production reflected a fall in price. Smallholders were being helped financially and technically to replant trees giving high yields and improved quality of rubber.

Mr. Awbery urged that smallholders should be given a co-operative system to assist them in the same way as the large plantations.
To this Mr. Lyttelton replied that special arrangements had been made to help the small planter. —Reuter.

LONDON TIN

London, Feb. 26.
The tin market was very steady today. Turnover was 75 tons including five tons for cash. Prices closed at the end of the official morning session as follows:
In lb. buyers 95 1/2
Spot tin, sellers 95 1/2
Business done at 95 1/2
Three-month tin, 95 1/2
Three-month tin, 95 1/2
Business done at 95 1/2
Settlement 95 1/2
—United Press.

NY Stock Exchange

New York, Feb. 26.
Dow Jones averages at the end of the morning Stock Exchange session:
30 Industrials 284.35
20 rails 100.79
15 utilities 52.57
4 bonds 97.07
—United Press.

Cocoa Quotation

New York, Feb. 26.
Cocoa was quoted today at \$22.00 per short ton, c.i.f. the Pacific Coast. The market was dull. Coconut oil was quoted at 17 cents a pound, traded. —United Press.

